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London, Tuesday, November 10, 1998

"Nine presidents have been the subject of

have taken place while the president was in the White House itself." The Secret Service tried to block the agents

See PARTY, Page 3

#### Republicans Poised To Name Livingston

Louisianan Certain to Succeed Gingrich

By Brian Knowlton International Herald Tribune

INTERNATIONAL TIDULE.

WASHINGTON - Representative Bob Livingston of Louisiana, a pragmatic conservative who emphasizes a willingness to com-promise, emerged victorious Monday in the banle to succeed Representative News Gingrich as speaker of the House, one of the most powerful positions in Washington.

A brief but intense struggle for the position, touched off by the surprise announcement Friday that Mr. Gingrich planned to step down, ended when Mr. Livingston's chief rival, Rep-resentative Christopher Cox of California, withdrew his name.

Mr. Cox, who had scrambled for promises of support throughout the weekend, conceded defear Monday. "The truth is, the vote is in." he said on ABC-TV. "Bob Livingston is going to be our next speaker and I'm withdrawing my name for that reason.

A third Republican who had been considering a run for speaker, Representative James Talent of Missouri, gave his support to Mr.

The 223 Republicans in the new House are expected to confirm Mr. Livingston as their choice for speaker at a caucus Nov. 18, and to formally vote the Republican leadership into office when Congress convenes Jan. 6. Mr. Cox, a conservative, said he was bowing

out for the sake of party unity. He added, "It's very important for us not to push an election for speaker to the hitter end when we have a sixtote majority in the House."

But struggles for other leadership positions continued Monday as the party sought to recover from its electoral disappointments Nov. 3 and to remake its image in the run-up to the 2000 presidential elections.

Many Republicans blamed their leaders, Mr. Gingrich above all, for the loss of five seats in the House, which left them with an 11-seat majority — a 223 to 211 lead over Democrats, with one independent. Analysts said the Republicans' narrow control of Congress, and their internal divisions, appeared to point to a caretaker Congress at best in the coming two years, and political gridlock at worst.

President Bill Clinton's spokesman, Joe Lockhart, said the White House was watching the Republicans' leadership contest with interest. He said the White House hoped the new Republican leadership would make it easier for administration to pursue initiatives, including a rescue of the Social Security retirement system, expansion of patients' rights, and fund-ing to build schools. Mr. Lockhart expressed concern, however, about reports that "Speaker Gingrich was being pressured to leave because

he was too moderate and too conciliatory.' Regarding the impeachment inquiry looming against Mr. Clinton, Mr. Lockhart expressed a concern that the Republican leadership candidates, in bargaining for members' support, might have made commitments "that may not be in the best interest of putting this behind us."

In the most important Republican leadership bartle not yet resolved, Representance Steve Largent of Oklahoma is seeking to wrest the post of majority leader from Representative Dick Armey of Texas. A New York Republican, Bill Paxon, predicted "a real battle royal."

Mr. Livingston and Mr. Armey met Monday and the Louisianan, who has clashed with Mr. Armey in the past, said be would remain neutral on the majority leadership contest, a spokesman for Mr. Armey said.

Both Mr. Largent and Mr. Armey are considered conservatives, though the Texan has been more predictably hard-line in his anitudes. On procedural votes, Mr. Largent voted against Republican leadership more often than

all but 10 House Republicans, by one count.

But Mr. Largent, a former professional football star, has been uncompromising on some issues. While some analysts trace Mr. Gingrich's downfall to the government shutdowns of 1995-96, which Democrats blamed on the speaker, Mr. Largent bas said that the Republicans' mistake was not to have stood firm

against Mr. Clinton. There were also challenges to Represen-tative John Boehner of Ohio, head of the House Republican Conference. Mr. Boehner was being challenged by Representative J.C. Watts of Oklahoma, the only black Republican in the House. With the speakership bande resolved, many in Washingtoo nurned their attention to the likely face of the new Congress and prospects for legislative cooperation in the coming two years. Mr. Livingston has said he favors a

more collegial approach to leadership than the mercurial Mr. Gingrieh, emphasizing compro-



Henry Hyde, head of the House judiciary panel, conferring with a colleague prior to a hearing Monday on Impeachment proceedings. But as the conflict fades, both sides are seeking an exit strategy. Page 3.

#### Supreme Court Deals 2 Blows To Presidential Confidentiality

By Joan Biskupic

WASHINGTON — Closing out a signif-icant legal chapter spawned by the Monica Lewinsky case, the Supreme Court on Monday rehuffed the Clinton administration's claim that the president's bodyguards sn testify about his private behavior and that bis cooversations with government lawyers should remain confidential.

By a 7 to 2 vote, the justices left in place lower-court decisions that said Secret Service agents' observations are not shielded by a protective function privilege" and the president's talks with White House lawyers are not covered by the traditional attorney-client

The practical consequences for the inves-uigation by the independent counsel, Kenneth Starr, into the sexual relationship between Mr. Clinton and Ms. Lewinsky are minimal at this point, but for this president and future presidents the court action on Monday means private activities remain vulnerable to expo-

sure in grand jury and other criminal pro-The court put to rest for the near future the argument that a president would distance himself dangerously from bodyguards if they could later be forced to testify, as well as the notion advanced by the White House that at the time a president most needs advice, when he may be facing impeachment, he should be able to turn to government lawyers without fear of eventual

Only Justices Ruth Bader Ginsburg and Stephen Breyer, both Clinton appointees, voted to take up the administration's appeals. The justices in the majority offered no comment, as is

the practice wheo the court spurns an appeal. In his forcefully worded dissect, Justice Breyer emphasized the chance of assassinacion for a presideot who pushes away his body-guards because they could end up revealing his

private activioes. "The terrible truth, as we all know, is that assassins have killed four American presidents

and wounded one other." Justice Breyer wrote. assassination attempts, including attempts that

from testifying in the independent prosecutor's inquiry by asserting a new "protective function

See COURT, Page 3

An Iraqi soldier watching Monday as more personnel of the UN Special Commission, charged with verifying compliance on weapons of mass destruction, left Baghdad.

#### Bonn Urges Economic Stimulus

#### Temporary' Easing On Deficits Is Weighed

By Alan Friedman and John Schmid

International Herald Tribune BONN - Warning that urgent steps are needed to counter "clear signs of a slowdown all over Europe," Germany's top economic adviser left the door open Monday to a "temporary" relaxation of the Maastricht Treaty's budgetary

Heiner Flassbeck, the chief deputy to Bonn's new finance minister, Oskar Lafontaine, said a temporary loosening of Europe's deficit constraints "cannot be excluded" if the Bundesbank does not lower interest rates to stimulate instment and job creation.

Mr. Flassbeck, speaking in an interview, also said Germany would soon press the other members of the Group of Seven leading indus-trialized nations to establish a global system of controlled or targeted exchange rates to fight

currency turmoil. Conceding that this proposal might not be popular with all members of the G-7, he called "a competition of ideas" in the group. His comments come against a backdrop of

increasing pressure from left-leaning officials. in France and Germany for Europe's central bankers to ease monetary policy in an effort to

spur economic growth Critics have lashed out at the new Bonn government, fearing that if Germany shows less fiscal discipline, this will open the door for countries such as Italy to abandon rules on spending and deficit reduction that were agreed upon in the Maastricht Treaty that

#### EU Jobless Rate Falls

Unemployment in the European Union fell to 9.9 percent in September, a six-year low, stirring hopes that consumer spending will protect Europe from the global eco-nomic turmoil. The introduction of a single currency in 11 EU nations is expected to stimulate trade in 1999, though economic growth is forecast to slow. Page 13.

is leading to a common European currency. In response, Mr. Flassbeck said: "All of us in Europe have to think about and reflect on what is the adequate policy mix at a time of economic slowdown.

On Tuesday, in his first policy speech to Germany's Parliament, Chancellor Gerhard Schroeder is expected to pledge a commitment to fiscal discipline. Mr. Flassbeck said be fully backed the chancellor and insisted that the government was of a single mind, saying that over the medium term we must stick to fiscal

But in the short term, Mr. Flassbeck asked: 'In the face of a slowdown and in the absence of a quick reaction of monetary policy, what is

of a quick reaction of monetary, fiscal policy going to do then?"

He announced plans for a series of meetings between Mr. Lafontaine and his Group of Sevbetween Mr. Washington, Paris, Rome and London over the pext 10 days in which Germany would propose 'a system of conto allow governments to trolled flexibility guide currency markets in setting exchange

See RIGOR, Page 4

#### A Nazi Horror Echoes in a Divided Germany

By Roger Cohen New York Times Service

BERLIN - Germany marked the 60th anniversary of the Nazi rampage against the Jews known as Kristallracht on Monday with cerzinonies that reflected a nation divided about how to balance the duties of memory with a new thirst n move beyond the shadow of the Holocaust.

The state's leading dignituries, including the newly elected chancellor, Gerhard Schroeder, attended a ceremony in a Berlin synagogue at which the horror of the "Night of Broken Glass" was solemuly recorded. But the gathering was usable to mask a growing tension over the place

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Page 11.

Page 8.

Pages 10-11.

of remembrance in a society now eager to move

forward. Ignatz Bubis, the leader of Germany's Jewish community, used the occasion and the presence of Mr. Schroeder to attack what he called a "spreading intellectual nationalism" in Germany and to question what lay behind the country's intense est for a "normality" unburdened by history.

His extraordinarily vehement speech reflected the tensions that have grown in recent months as Germany prepares to move its capital back to Berlin next year, more than a half-century after the collapse of Hitler's Reich and as a new postwar generation led by Mr. Schroeder bas come to power.

A project for a large Holocaust memorial in Berlin has been questioned by members of Mr. Schroeder's government, and the oew chancellor has sought to mark his distance from the repeotive history lessons of his predecessor, Helmut Kohl, by keeping his focus on the future of a society now two generations distant from the war.

In a statement reflecting this policy, Mr. Schroeder said that 60 years after Kristallnacht a night when hundreds of synagogues were destroyed, Jewish businesses ransacked and at least 91 Jews killed — "We look ahead without forgetting what happened." The chancellor added

See GERMANY, Page 4

#### Red-Letter Day for Israel's Russians

By Lee Hockstader Washington Post Service

ASHDOD, Israel - When she arrived in Israel eight years ago with the torrent of lewish immigrants from the former Soviet Union, Maia Sintsky was a chemistry teacher with a smattering of Hebrew and

zero political experience.
On Tuesday she is likely to be elected to the City Council of Ashdod, a breezy beach town 50 kilometers (30 miles) south of Tel Aviv. Miss Slutsky's ascent is not a solo performance. With 900,000 former Soviet immigrants flexing their political muscle, their numbers on Israeli local coun-

cils are expected to soar from a paltry handful to more

than 100, including 15 or more deputy mayors, in nationwide elections Tuesday.

That gain builds on the splashy success of Natan Sharansky's Russian immigrant party. Israel B'Aliyah, which stunned Israelis with its victories in parliamentary elections in 1996. The prospect of another triumph for Russian-speakers, and the shifting balance of power it foretells, is dismaying previous groups of immigrants who regard the Russians with undisguised contempt - and as a threat to their jobs, culture and religious values.

"It's a real social revolution," said Mr. Sharansky, the ebullient former Soviet dissident who is minister of

See ISRAEL, Page 4

#### 119.045 5.6102 5.6586 1.5338 1.663 percent change Monday close -- 0.86% 1,130.20 In Turin, a Toste for the Old Days

Monday @ 4 P.M.

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#### Clinton Questioned in Campaign Ad Inquiry Committee's issue ads during 1995 and 1996, The Associated Press according to Mr. Clinton's attorney, David Kendall. Ms. Reno is investigating whether WASHINGTON - President Bill Clinton was interviewed Monday by Justice Department investigators regarding campaign ads by Mr. Chinton illegally benefited from Democratic advertisements. She is to decide wheththe Democratic Party during his 1996 reer to name an independent counsel in the matter. If she does, Mr. Clinton will be the first election bid.

eral Janet Reno into the Democratic National British Airways Cuts Back Its Expansion Plans British Airways said Monday it had scaled

slowdown was prompting more companies and consumers to switch to discounted air fares. The announcement coincided with a quarterly earnings report that was worse than most analysts had expected and came after BA ger fell 4.1 percent in the quarter. Page 13.

The interview was in connection with a

preliminary investigation by Anorney Gen-

said it would slow the implementation of its plans for an alliance with American Airlines. down its growth plans, as the global economic "All the growth is coming in the economy cabin. That's a wonying rend for them," said Guy Keckwick, an airline analyst at Goldman Sachs International. Revenue per BA passen-

president to be investigated by two separate

independent counsels.



Police and students in a standoff Monday as Indonesia braced for a meeting Tuesday of the top lawmaking body. In what analysts called an attempt to pacify protesters, the head of the armed forces said the military would abandon a key post that allowed it to affect politics. Page 6.



DAY, YOVEMBERS

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The World's Daily Newspaper

U.S. Paves Way

For Harsh Move

**Against Saddam** 

To Counter Iraqi Intransigence

By Joseph Fitchett

PARIS - In a sharp escalation of the long-running U.S. confrontation with Iraq, the Clinton adminis-

fistion is readying the strongest military campaign in its six years in office and preparing its allies for a major political gamble in the Gulf, U.S. and European of-ficials said Monday.

The response has broken the pattern of rhetoric and

compromise that characterized previous U.S. stand-offs with President Saddam Hussein. The low key but

determined U.S. approach has kept the international

spotlight focused on fraq's responsibility for triggering the crisis and for its possibly lethal consequences.

United States lacked the guts to bomb him, but that yentional wisdom is dead wrong since the election." a policymaker in Washington said.

Other U.S. officials said that the results of con-

gressional elections last week had given President Bill Clinton a moment of exceptional liberty on the political playing field in Washington. The White House at least momentarily freed from fears of domestic

challenges - seems ready to dispense with the low-

risk pinprick attacks that have become a U.S. calling

Instead, officials said in Washington, the United

States envisages an open-ended bombing campaign

against Iraq as a way of shaking the regime and pre-venting the military from developing missiles or mass-destruction weapons that could intimidate neighboring

Arab governments and devastate the oil-rich Gulf.

This tougher approach has had the effect of reinvigorating the U.S.-led coalition that crushed fraq in

1991, with key governments in Europe and the Middle

East embracing the U.S. view that there seems to be no-realistic alternative to trugh action against Mr. Sad-

dam. Openly skeptical of using force in recent show-

downs, countries such as France and Sandi Arabia

seem ready now to back strong military action without

any major new diplomatic overture to Baghdad.

Even though military planning remained incomplete Monday, officials indicated that the U.S. bands

has called for two distinct campaigns — an initial phase of intensive bombing followed by an indefinite

period of air policing of Iraq.

In the opening assault, cruise missiles and other weapons would knock out had military systems.

destroy suspected sites of weapons development and

to be part of the regime's power base.

After the initial assault, Western air power would

continue sorties into Iraq to attack suspect installations

and disrupt any traci military activity aimed at re-

taliating. Many-military planners are skeptical about

See IRAQ, Page 4

ent on Iraqi military forces considered

cand with adversaries.

Saddam and even our allies were convinced that

Washington Plan Envisages **Sombing and Air Policing** 



#### 'Slow Food' Seeks Members With a Taste for the Old Days

**URIN**, Italy — The English will kill each other to protect animals. The French fight to the death to preserve the purity of their language. Italians. however, rarely get indignant about anything, except food. Few other nations, for example, have so passionate a grass-roots movement to

preserve endangered species of cheese and pro-tect vegetable rights.

"Plants have a soul," the playwright and Nobel prize winner Dario Fo warned a rapt audience last week at a conference oo biodiversity and geoetic species on the verge of extinction. "They have feelings. And some are

Assassins, using poison to destroy.

Mr. Fo is one of the intellectual pillars of Slow Food, a food and wine organization created 13 years ago by an Italian journalist, Carlo Petrini, as an antidote to fast food. Both men were expecting more than 100,000 people to attend Slow Food's Salone del Gusto, a five-day food Slow Food's Salone del Gusto, a five-day food fair that ended Monday night, drawing epicures dedicated to the languorous enjoyment of slowly prepared regional delicacies. Mr. Petrini became radicalized when he entered the Piazza di Spagna in Rome and smelled mass-produced french fries wafting from the country's first McDonald's.

Slow Food, which was begun by a group of leftist intellectuals disenchanted by politics and disgusted by the fast-food trend, has in the last few

years become fashionable in Italy and throughout Europe, and is now catching on via the Internet with American food and wine connoisseurs.

Now with 40,000 members in 35 countries, Slow Food's manifesto warns against "obsess-

slow rood's manifesto warts against "obsessive worrying about hygienic matters" and pledges to preserve such endangered foods as Firiki apples from Greece and Sicilian lattume di tonno, sperm of male tuna.

Il Salone del Gusto, held in a giant convention center which was once a Fiat car factory, boasted 300 regional food stands, with free samples, 50 gournet dinners and 325 workshops on everything from "Cooking in the Antipodes" to erything from "Cooking in the Antipodes" to "Hungarian Foie Gras and Tokaij." (or Tokay, a

"Feel how the fat gallops in your mouth,"
Piero Sardo, a cheese expert and co-founder of
Slow Food, instructed 110 gournands who paid
\$16 for a workshop last Thursday called, "Stroog
Cheeses and Sweet Wines." He was commenting on a Stilton, served with a Greek port wine.

Food is not just good at these workshops, it is dripping with history. Real iberico, a Spanish





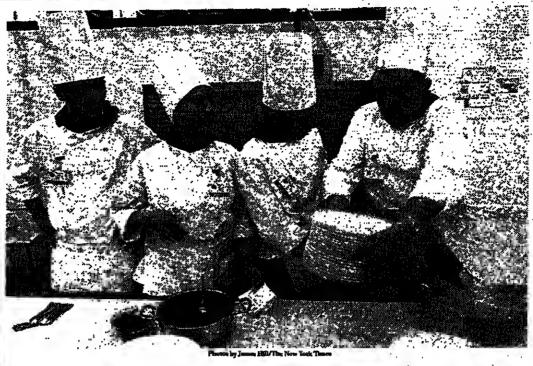
ham, comes from a breed of pig, Cerdo Iberico, which is the direct descendant of the Mediterranean boar that man began domesticating in Neolithic times. Uncontaminated by crossbreeding, raised in the Dehesa, an ancient Mediterranean forest and fed on la bellota, a kind of acorn, the Cerdo Iberico is a kind of "thoroughbred swine." according to Giovanni Pellinghelli del Monticello, a consultant to a guild of Iberian ham

producers, who delivered the lecture. producers, who delivered the lecture.

"We will never know what the Bollinger Louis XV drank really tasted like," he said sadly, referring to phylloxera, a disease that destroyed European vines in the late 19th century. "But this pig is an uncontaminated breed, its ham today has exactly the same taste it bad when it was eaten by Charles V of Spain."

French, British and American history buffs are known for their re-enactments of famons battles — Austerlitz, Waterloo or Gettysburg. Italians prefer to dwell on the great meals of history. Actually, so do their American acolytes.

history. Actually, so do their American acolytes. Patrick Martins, a Slow Food activist based in Bra. a food-obsessed town in Piedmont, Italy, wrote his thests at New York University on Medieval



Salone del Gusto, a five-day food fair in Turin, drew nearly 100,000 people interested in traditional delicacies. Above, chefs prepare a Swabian dinner. Top left, a glass of wine produces a quizzical glance; below, a woman enjoys antiqued balsamic vinegar.

Food Sculptures, which, among other things, in-volved molding asparagus into a giant chess set. Mr. Fo and others complain about multinationals, which favor mass production and have steadily reduced the world's varieties. At the turn of the century, there were 30,000 varieties of

rice in India, Now, there only 12. But the public also prefers convenience, speed and lower prices. "Our real enemy is the obtuse consumer,"
Mr. Sardo, the cheese expert, said.

ET EVEN AMONG the initiated at the Salone, there were some Slow Food recidivists. Lorenzo Molinacci, 42, who makes Panforte di Siena, a sophisticated brand of fruitcake, was discovered at lunchtime wolfing down a prefabricated prosciutto sandwich at the Autogrille, an Italian fastfoot outlet inside the convention hall. "What else could I do," he said sheepishly. "I'm very busy and I had to go somewhere and eat fast."

Postmodern food tastings at the fair were provided by the theater director Silvio Panini, who created a degustazione teatrale, in which diners, wearing earphones and seated at stark steel tables, sample drops of balsamic vinegar and minimalist morsels of parmigiano while a performance artist

recites sensual eating instructions. "Agriculture is an aesthetic," Mr. Panini explained.
In many areas, it is also a dying art. Lard from the region surrounding Carrera, which was the basic food for the marble workers who supplied Michelangelo, is in danger of extinction, according to Slow Food. "Pigs today are small and too meaty, everyone wants pork-light," com-plained Marino Giannarelli, 50, whose family firm, Lardo di Colonnata, produces a small

amount of extremely thick, succulent lard.

The Caciocavallo Podolico is a rare, fragrant cheese from the Campania region, which relies on finicky free-range white cows, who will give milk only if their calves are standing near them, and even then, only a few liters a day. "You have to be a hero to make it," Mr. Sardo said. "And

also a bit crazy."

A kilo of Caciocavallo Podolico costs \$37, three times as much as more ordinary varieties of Caciocavallo.

Participants ranged from Jonathan White, an artisanal cheese-maker from Peekskill, New York, who makes butter for the White House, to some of the world's most high-minded chefs. Miguel Sanchez Romera, 45, for example, is a neurologist who oo weekends cooks Spanish nonvelle cuisine at his restaurant, L'Esguard, in a small town outside Barcelona. He was one of three chefs selected to prepare a three-course, \$178 gournet meal for 36 people, which included a dish of egg and caviar inspired by Van Gogh's Sunflowers. Dr. Sanchez Romera gave a lecture explaining the neurological impulses of appetite.

#### Aid Agencies Struggle With Giant Task of Storm Relief

TEGUCIGALPA, Honduras - Relief agencies trying to feed tens of thonlief agencies trying to feed tens of thonsands of people stranded by the hirricane designated Mitch struggled to
deliver tons of food Monday despite
ruptured roads, backed-up airports and a
sbortage of helicopters.

Hunger and disease threaten to raise
the death toll from the storm, with
officials estimate has killed more than
10,000 people in the region.
In Honduras, 700,000 people will
need food for the next month, the UN
World Food Program representative.

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World Food Program representative,
Giuseppi Lubatti, estimated.
On Sunday, the first shipments of aid
reached many hamlets and cities cut off
by flooding, such as Choluteca in southern Honduras and Posoltega, Nicaragua,
where an estimated 2,000 people were
killed in a mud slide.

where an estimated 2,000 people were killed in a mud slide.

George Bush, the former U.S. president, was in Tegucigalpa as more than 60,000 pounds (27,000 kilograms) of aid from the U.S. relief group Americares arrived Sunday. He said much more would be needed for months—maybe years—to come.

"I can tell the American people and the people of the world that the devastation is appalling," Mr. Bush find after viewing damage with President Carlos Flores of Honduras, Mexico,

Authorities from Honduras, Mexico, the United States and elsewhere struggled to overcome logistical problems in getting aid to remote areas. On Sunday, a Mexican C-130 cargo plane blew a tire while landing in Tegucigalpa, disrupting flights for several hours.

The first members of a Canadian military team specializing in disaster relief were scheduled to leave Monday for northern Honduras, where they will establish an air traffic control system.

U.S. military engineers were sent to help repair roads and bridges. U.S. forces also will help transport pipes into Tegucigalpa to repair the water network, now running at 25 percent capacity.

#### ■ EU Considers Debt Moratorium

European Union foreign ministers on Monday considered granting debt relief to Central American nations hit by the storm as part of an aid package to help them overcome the devastation. The Associated Press reported from Bruss.

Foreign Minister Wolfgang Schuessel of Austria, whose country currently holds the EU presidency, said the EU and its the 15 member nations had pledged hore than \$70 million so far in

bumanitarian aid for Central America. But over the past few days the extent of the devastation has proved to be greater than expected. Foreign Minister Josehka Fischer of Germany said urgent measures were needed to provide vietims with basic aid, including medicine,

water sanitation and shelter. The ministers were debating the possibility of unblocking emergency funds from the EU's common foreign and security policy budget.

For the longer term, the ministers have asked the EU executive commission to come up with a series of proposals to hele reconstruction. These measures could include forgiving the country's foreign

debts or delaying their reimbursement.
The four Central American countries have foreign debts totaling about \$20 billion, mainly to international lending agencies. Honduras owes \$4.2 billion and Nicaragna owes \$6 billion.

#### India Rebuffs Pakistan on a Sea Border TRAVEL UPDATE Group Vows Suicide Attacks

Thursday

breakthroughs that drive technological

achievement in the Information Age, as they

transform business strategies around the

entertainment to daily life at home.

Revolutionary ideas, fresh applications, hot

new products, time-saving software,

cutting-edge gadgets -- you'll find out about

Every Thursday in the International Herald

THE WORLD'S DAILY NEWSPAPER

ternational arbitration Monday to resolve a 30-year-old maritime boundary dispute with India that is blocking the exploration of oil

and gas, but India rejected the idea.

The border in question is between the western Indian state of Gujarat and Pakistan's Sind Province. The line follows a shifting tidal channel known as Sir Creek, and the dispute led to armed clashes in 1965.

Failure to fix the border at the mouth of Sir Creek has blocked agreement on the maritime boundary in the Arabian Sea, preventing the exploration of what could be rich offshore deposits of oil and gas. Each country routinely arrests fishermen from the other country who intrude into the disputed zone.

TribTech explores

it in TribTech.

Tribune.

of bellicose statements. Tensions rose after India's new Hindu nationalist government detonated nuclear devices in May, prompting similar tests by Pakistan.

#### ■ U.S.-India Arms Talks

and explains

bring excitement

Indian and U.S. experts began preliminary discussions Monday on the export of control regimes to check nuclear proliferation, Reuters reported from New Delhi.

Officials said the talks were part of an oogoiog dialogue oo nuclear issues between New Delhi and Washington, which has led Western efforts to draw India into the global nuclear-arms control regime since it conducted nuclear tests in May.

#### Begins in Italy

ROME (Reuters) - Air transport was virtually para-lyzed in Italy on Monday by striking ground staff as Italians braced for more than a

week of transport strikes. Scores of domestic and international flights were canceled by the four-hour strike, which affected check-in, baggage-handling services, catering and shops. It came on the first of nine days of industrial action that will hit every form of public trans-

Taxi drivers in Rome began a four-day strike in a dispute over city government plans to liberalize taxi services. Many Romans will find themselves with no bus, tram or metro service Thursday and Friday as drivers

#### El Al to Change Money In-Flight Europe

protest restructuring plans.

JERUSALEM (Reuters) - El Al Israel Airlines plans to be the first carrier in the world to provide moneychanging services in-flight. El Al's Fly&Change service will allow passengers to buy up to S500 worth of the local currency of their des-tination. "We're talking about the amount of money people generally need to get themselves started on a trip,"

a spokesman said. The service will operate initially on certain flights from Tel Aviv to Paris, London, Frankfurt and Zurich this month. El Al plans to expand the service to all destinations.

DEATH NOTICE KEATING WILLIAM. Chuch of Our Most Holy Redeemer & St.
Thomas More, Cheyne Row, Chelsea on
Thursday 12th November at 11:00 2,m.
Flowers c/o Paul Bysouth Funeral
Services. 9 Croft Road, Crowborough,
East Sussex TN6 1DL Tel: 01892 655000.

#### The Associated Press NEW DELHI — Pakistan proposed insurated an upturn in relations after a summer of bellicose statements. Tensions rose after

TEHRAN - An Iranian group said it would launch stricide attacks against former U.S. hostages if they visited Iran, a national newspaper said Monday.

A group called Devotees of Islam —

apparently named after a group that carried out assassinations in the 1940s announced it would follow the path of "suicide martyrs" if Bruce Laingen, Barry Rosen "and other persons related to the former U.S. den of spies" return, the conservative daily Qods said.

Mr. Laingen and Mr. Rosen were

among 52 Americans held hostage for 444 days by militant Iranians who in 1979 seized the U.S. Embassy. Mr. aingen was the charge d'affaires and Mr. Rosen was the press attache.

Students supporting President Mohammed Khatami, a moderate, suggested last week that all the former hostages should return to Iran as guests.

Conservative and hard-line opponents of Mr. Khatami have criticized the

#### invitation and said Mr. Laingen and Mr. Rosen were planning to visit. In a phone call to Qods, a person

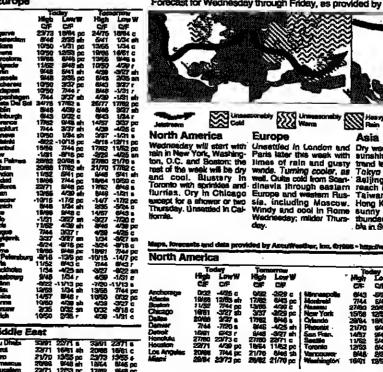
saying he represented the Devotees of Islam urged Iranian officials to follow the ideals of the late revolutionary leader, Ayatollah Rubollah Khomeini, who condemned the United States as the "Great Satan," Qods said.

Iranian Journalists in U.S.

A group of Iranian journalists are touring the United States as part of a plan to increase bilateral contacts that is being promoted by Mr. Khatami, Agence France-Presse reported Mon-

The journalists, who arrived in Boston oo Saturday, are from several moderate newspapers, including the popular daily Hamshahri, the Iran News and two women's publications. They were invited on the two-week trip by the Association of New England News Editors, newspapers reported.

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#### محذامن الأصل

#### THE AMERICAS

#### As Impeachment Conflict Fades, Warring Camps Look for an Exit ABC. "And that would have to be considered in the impeachment inquiry, the chairman of the political arena. But still in all, we cannot simply disconsidered the fact that there are other." They're going to figure leagues on the panel: "They're going to figure

By Peter Baker and John F. Harris Washington Post Service

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WASHINGTON - With prospects of a presidential impeachment fading after the recent elections and the resignation of the House speaker, Newt Gingrich, the White House and con-gressional leaders are searching anxiously for an exit strategy that for now appears clusive.

Key strategists in both parties privately have. gress probably will not remove Mr. Clinton from Republican leadership will play out.

office over the Monica Lewinsky matter, but few Even if there was a new exit strategy of the content are certain bow the two sides can come together , to bring the inquiry to a quick close without more

political bloodletting. In the most common scenario, Congress could pass a censure resolution formally reprimanding the president for trying to cover up his affair with the president for trying to cover up ms affair with the problem of the continuous many many that and subsequent grand jury testimony. Mr. Clinton would have to accept responsibility for his actions but would finish out. sponsibility for his actions but would finish out evicting Mr. Clinton.

The American po

turnsoil among Republicans, who hold the majority on Capitol Hill. "That's sort of the global answer to this," said the former White House special counsel, Lanny Davis. "How that happens in this amosphere is very very problematical.

In an environment where Washington has

come to expect the unexpected, the president's corrent fortunes, of course, could shift again. The independent counsel, Kenneth Starr, could come up with new allegations of misconduct. And it remains uncertain how the upheaval in the House

Even if there was a new exit strategy," said Representative Mark Edward Souder, Republican of Indiana, "the exit strategy could be overridden." He added, "The new speaker

would get first say. Representative Bob Livingston, the Louisiana Republican who is likely to replace Mr. Gingrich "The American people have certainly indi-

The trick, according to some close to the similarity and the polls that they don't see it as an ation, is getting from here to there at a time of great impeachable or dismissible offense," he said on

people in our society — in the military and various other walks of life, as CEOs or principals of schools - who have been likewise charged

and have lost their jobs." The uproars over impeachment and House leadership have converged on Capitol Hill, a point underscored by the calendar. The Republican caucus will hold its election for speaker Nov. 18, the day before Mr. Starr is scheduled to appear before the Judiciary Committee as its only

Mr. Livingston or any other prospective speaker faces unappealing choices. Virtually no one involved believes that the Senate would muster the two-thirds majority necessary to convict Mr. Clinton and remove him from power. That raises several possibilities for the Republican Party in the House: to impeach him anyway in what would likely be a party-line vote; to allow an impeachment floor vote on the theory that Mr. Clinton would win after Republican moderates balked; or to attempt to cut a deal to avert a vote altogether.

simply disregard the fact that there are other simply disregard the fact that there are other simply disregard the fact that there are other of Illinois, last week sounded as if he believed his out a way to wriggle out of this, and I do not think out a way to wriggle out of this, and I do not think out a way to wriggle out of this, and I do not think of impeachment, leaving it to the Senate to find a

"I see us proceeding with our hearings, getting a bill of impeachment on the table," he said." He said if the majority voted to send the question of impeachment to the floor, "the most likely scenario" would be asking the speaker to call back the full House for a vote.

Some conservatives, including the majority whip, Tem DeLay, Republican of Texas, see an impeachment floor vote as essential.

If the House doesn't do that, I don't think the House is tioing its duty, said Representative Matt Salmon, Republican of Arizona, Still, he added, "The fact is, we are in a damned if we do. damned if we don't position."

If it does come to the House floor, though, many Republicans no longer believe that their caucus, with its fragile six-vote margin, would hold together. Representative Charles Schumer. the New York Democrat who won a Senate seat Even as he outlined a minimalist approach to last week but will serve on the Judiciary Com-

#### First Hearings Open

The House Judiciary Committee's subcomminee on the constitution opened hearings Monday in preparation for next week's impeachment proceedings. The Associated Press reported from

The debate featured testimony from 19 aca-Washington. demics, including the historian Arthur Schlesinger, who was an aide to President John Kennedy; the law professor Father Robert Drinan, a former congressman who served on the Judiciary Committee during the Nixon impeachment hearings; and the law professor John O. McGinnis, who clerked for Mr. Starr when he was an appellate court judge.

Mr. Schlesinger said it was not an unknown practice" for past presidents to lie to the public. "Lying about one's sex life is not a monstrous he added. Gentlemen always lie about their sex lives.

#### **New Coalition** Of Leftists Gets Biggest Vote In Venezuela

The Associated Press CARACAS — A leftist coalition headed by a former coup leader has become the major force in Venezuela's new Congress in a big setback for the two political parties that have governed for the 40 years since democracy was

With 67 percent of Sunday's vote counted, Hugo Chavez's Patriotic Pole coalition won 34 percent of the congressional seats. The center-left Democratic Action Party won about 22 percent and the conservative Copei Party won 11 percent. The pro-business Project Venezuela won about 12 percent.

Mr. Chavez, 44, an independent sup-ported by millions of peasants and shantytown dwellers, is the favorite to win the Dec. 6 presidential election. In 1992, he staged an unsuccessful military revolt against the government. and became a hero to many for denouncing corruption and speaking out

on behalf of the poor.

He spent two years in prison and was released in 1994 by President Rafael Caldera Rodriguez.

Initial results indicated that the Pa-

triotic Pole would pick up 7 of Venezoela's 23 governorships. With the gubernatorial races, Democratic Ao also was ahead. He was one of the army about 60 percent of the vote counted in ion and Copei were set to win the gov-morships in most of the rest of the 1992 coup attempt against President emorships in most of the rest of

But in a surprise showing. Mr. Chavez's father, Hugo de los Reyes Chavez, was ahead in the race for govemor in the western state of Barinas.



Hugo Chavez, whose leftist grouping will be the major player in the next Venezuelan Congress, waving to supporters in Caracas after the elections.

governor in oil rich Zulia state, Francisco Arias Cardenas, the incumbent, 1992 coup attempt against President Carlos Andres Perez.

ate seat Sunday. That will give him par-POLITICAL NOTES

The Patriotic Pole's candidate for liamentary immunity and his freedom. The Patriotic Pole did not exist until early this year, but it has tapped deeprooted anger over corruption, which many Venezuelans blame for squandering the world's largest oil reserves ont-

eral months under house arrest on charges of illegal enrichment, woo a sentence of Congress and 391 state as-

#### **COURT:** Clinton Is Rebuffed

Continued from Page 1

privilege." But lower federal courts rejected the claim, saying there was no historical basis for it and, in the words of the D.C. Circuit, "there is a general duty to give what testimony one is capable of

In the case of whether government attorneys can be forced to testify about conversations with the oresident, Justices Breyer and Ginsburg said the Supreme Court should clearly answer whether government lawyers are covered by the traditional attorney-cli-

Without a national standard, they ent privilege. said, the president and other government officials "may very well choose the cautious course, bolding back information from government counsel, perhaps hiring outside lawyers instead.

#### ■ Boost for School Vouchers The Supreme Court sidestepped a di-

visive national debate over education as it let Wisconsin continue providing financial help for families whose children artend private schools, even those affiliated with religious groups, The As-

sociated Press reported.

The justices left intact the state's providing unition vouchers — good for up to \$5,000 a year per child — for students attending private schools in Milwaukee. Because most of those schools are

religious, the state's plan was challenged as a violation of the constitutionally required separation of church and state. The action Monday, taken by an 8-to-

l vote and without any explanatory commen!, is not a decision and sets no national precedent. But it is sure to give new vigor to efforts by tuition-voucher

For more than 30 years, the Kingsmen got no royalties from their classic recording of the garage-band standard "Louie Louie On Monday the court let stand a ruling that finally let them li rejected, without comment, an ap-

peal by two companies that held the rights to the recording and admitted they paid no royalties to the band. The Kingsmen's 1963 version was

not the first recording of "Louie, Louie," and it was not exactly the most on-key - but it was a massive his and bas been a party favorite ever since.

Federal officials launched an obscenity investigation of the band's recording but finally declared it "unintelligible at any speed." The band signed a contract any speed. The band signed a pay its in 1968 that was supposed to pay its members 9 percent of the profits or licensing fees from the record.

But the Kingsmen got nothing, and in 1993 they sued Gusto Records and GML. which owned the rights to the recording.
After the companies' lawyer acknowl-

edged they paid "not a single dime for 30 years," a federal judge canceled the 1968 contract and granted the musicians the right to all royalnes from the time they sued. The judge also held the companies in contempt when they refused to surrender the master recording.



from the Watergate hearings as a subcommittee began laying the groundwork Monday for impeachment hearings against President Bill Clinton.

#### PARTY: Livingston to Succeed Gingrich

Continued from Page 1

mise over confrontation, and pragmaiism over ideological purity - while placing a Republican stamp on legislation. "I am running as a leader and as a

manager," he said Sunday.

Mr. Gingrich, buoyed by the Republicans' big gains in 1994, had not only taken on greater powers within the House but "single-handedly invented the notion backers in other states.

Congress is considering a national voucher program, and legislatures in voucher program, and legislatures in voucher program, and legislatures in the states have considered it is a Washington and Lee University, its savington Virginia. "He tried to goviet to the states have considered in the states have consi ern the country from Congress." in Lexingtoo, Virgi

That will not be possible with the Republicans' reduced majority, said Sarah Binder, governmental studies fellow at the Brookings Institution, "My guess is, with 223 Republican votes, it's stalemate, it's gridlock,' she said. 'It looks pretty ugly for Livingston, and I think Ginnigh political it's think Gingrich realized it."

Mr. Livingston can be expected to return some of the powers Mr. Gingrich had amassed to the committee chairs and the rank-and-file, Ms. Binder said.

While both parties will need to work together to pass legislation, Ms. Bioder said, there are few obvious areas for cooperation beyond Social Security reform, expansion of the rights of patients in managed-care systems, and possibly

To the extent there is cooperation, she added, "the influence of moderates is going to be inflated."

Sec our

Entertainment

every Wednesday in The Intermarket

"On any given vote," she said, "they will be able to claim a majority

Mr. Livingston is far less well-known

on the international scene than Mr. Gingrich, and probably will remain more an "inside" speaker than an "outside" speaker, said Mr. Connelly. He is likely to focus on the details of management. not on articulating an ambitious vision

for his party.

The new role would suit Mr. Livingston well, though, Mr. Connelly said. The new speaker is going to have to pay more anention to the details of managing legislation, and that may be Livingston's strength, "he said. "Livingston is more a responsible partner than a backbench, bomb-throwing revolutionary.

But he will have to define his party's differences with the opposition, confront Bill Clinton when necessary, and at times sit down with the Democrats. But he's good at that. He's got a long history of that." Mr. Connelly added: "The bully pulpit of the presidency will once again eclipse the bully pulpit of the speakership. Many House Republicans favor a

move away from Mr. Gingrich's ideological and confrontational politics as they look to the presidential elections of 2000. Many Americans shared that view, according to a new ABC News poll. It found that 70 percent of those surveyed approved of Mr. Gingrich's resignation as speaker, and 90 percent hoped his successor would try to work harder with Democrats.

#### Tobacco Didn't Fire Up Voters

anti-tobacco sentiment never materialized last week for many of the candidates who believed that suing eigarette many and the candidates who believed that suing eigarette many of the candidates who believed that suing eigarette many eiga makers would belp propel them to higher office.

Two of tobacco's most outspoken foes - the attorneys general Hubert (Skip) Humphrey 3d, Democrat of Minnesota, and Scott Harshbarger, Democrat of Massachusetts Hersola, and Scott Harshoarger, Democrat of Massachusetts
— lost bids to become governors of their states. Mr.
Humphrey had wrung a \$6 billion settlement out of the
industry, and Mr. Harshbarger has a case pending to recover
the costs of treating sick smokers.

"There ain't a lot of lift in tobacco," said Scott Williams, a public-relations consultant to the industry with the Bozell Sawyer Miller Group, referring to Minnesota, where the surprise winner was the former pro-wrestler and Reform Party candidate Jesse Ventura.

Health advocates pointed to victories in places where Health advocates pointed to victories in places where voters spoke directly to an anti-tobacco issue. In Portland, Maine, voters favored a ballot initiative upholding a ban on hoking in certain restaurants, and in Corvallis, Oregon, voters defeated an initiative that would have exempted bars voters defeated an initiative that would have exempted. from a smoking ban.

#### More Women Elected to Congress

WASHINGTON - When the 106th Congress convenes in January, six new women will be among the ranks of the largest delegation to serve in the nation's history.

The election of five female Democrats and one Republican brings the total number of women in the House to 56, for a net gain of two. The number of women in the Senate stayed at nine, with the Democratic Senator Carol Moseley-

In the House, the number of blacks stayed steady at 39, black members.

with one new face, Stephanie Tubbs Jones, Democrat of Ohio, who won the seat vacated by the retirement of Representative Louis Stokes, a Democrat.

The number of Hispanics in the House also remained the same, at 20. But there will be two new faces: Grace Napolitano, Democrat of California, and Charlie Gonzales, Democrat of Texas, who won the seat held by his father, Representative Henry Gonzales, for 36 years. (WP)

#### Quote/Unquote

Representative Charles Canady, Republican of Florida and chairman of the House Judiciary Committee's sub-committee oo the constitution, as he opened a bearing on what constitutes an impeachable offense: "The evidence what constitutes are impeachable offense: the conclusion that the president before us clearly supports the conclusion that the president is guilty of multiple acts of lying under oath, obstruction of justice and other offenses.

Representative John Conyers, the senior Democrat on the full Judiciary Committee, addressing the same issue:
"There is no crime of perjury arising out of questions the
government doesn't have the legal authority to ask." (AP)

#### Gene Therapy Grows New Blood Vessels to Heart All but one of the patients reported a

DALLAS - Gene therapy has been used for the first time to grow new blood vessels leading to the hearts of patients with severe blockages, doctors said on

A team at Tufts University in Boston said that 14 men who received the new treatment had less chest pain afterward The treatment involved injecting into the heart a gene that controls production the heart and the heart and the he

factor, which instructs the body to grow new blood vessels. Evidently new blood vessels did grow, Dr. Jeffrey Isner and colleagues told a meeting here of the American Heart Association

The 14 volunteers, aged 53 to 71, all had blocked arteries. In most of those who bad undergone heart bypass operations, in which a new

'marked'' reduction of chest pain starting 10 days after treatment. Although new veins would be too small to observe with conventional imaging techniques, tests have indicated increased blood flow to the patients' hearts. In follow-ups over a few months,

there have been no reports of serious side effects, Dr. Isner said. Last year, doctors used VEGF to grow blood vessels in legs blocked by atherosclerosis.

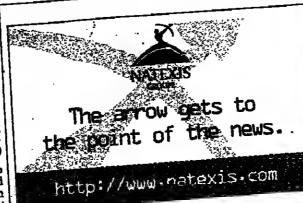
#### **Away From Politics**

• Two U.S. Navy planes collided on the deck of an aircraft carrier 120 miles (190 kilometers) off the Atlantic Coast on Sunday night, killing one crewmember and injuring two.

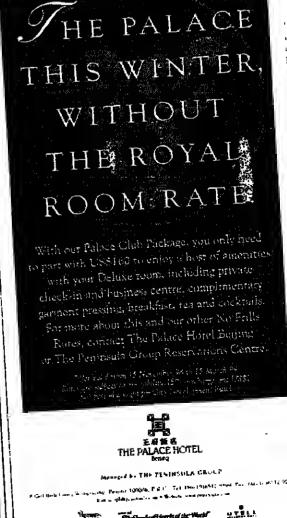
Three other crewmembers were missing at sea. (Reuters)

The U.S. government, the nation's largest energy consumer, could cut its bills by about \$1 billion a year by taking more aggressive steps to improve energy efficiency, according to a report by the Alliance to Save Energy. (WP)

Rescue workers battled a steady snowstorm Sunday to recover the body of a New Hampshire man who was killed when an avalanche swept a party of five snowboarders down a rocky slope in the Wasarch Mountains in Utah. (AP)







The gradual torois of the World U. T. S. L. L.

#### INTERNATIONAL

#### Spy Suspects in Cyprus Put Turkish-Israeli Ties Under Magnifying Glass.

By Deborah Sontag

Israelis on suspicion of spying on a fore in the previous month. military installation in Cyprus had a comic caper element that immediately raised questions here about whether it was the latest in a series of bungles by the they did, Mr. Cristoldo turned them in.

two Israeli men in a small fishing village ar Larnaca, Cyprus, spotlighted region-

Yigal Damary, 49, who said they were small village suspected them." teachers, were held on suspicion of es-pionage after the Cypriots said they had traveled to Nicosia just a week ago to

versations off a sophisticated scanner. According to the Cypriots, the men JERUSALEM — The arrest of two which abuts a military camp, twice be-

> The proprietor of a local taverna, Panikos Cristoldo, had been alerted to notify the authorities if they returned. When

Israeli intelligence agency, Mossad.

On a more serious level the arrest of were spies who had come to hurt my country," Mr. Cristoldo told the Israeli daily Ma'ariv. "Since my intuition neval tensions about the growing security cooperation between Israel and Turkey.

The two men. Udi Hargov. 27, and away empty-handed. Everyone in our

closeness between Israel and Turkey. Turkey since 1974, when Turkish forces seized control of the northern third of the island. Tensions have been aggravated by the Greek Cypriots' recent purchase of Russian anti-aircraft missiles.

'Naturally, we are not happy that holders of Israeli passports were involved in something like this," said Euripides Euriviades, the Cypriot ambas-sador to Israel. "There is a lot of anxiety back home with what is happening with the ongoing strategic, military relation-ship between Israel and Turkey. We had the assurances of President Weizman last week that no harm could come to us from this relationship. So the timing of pionage after the Cypriots said they had been found with electronic equipment smooth tensions with Cyprus, where the while recording police or military congovernment is wary of the growing one is innocent until proved guilty."

Many do not hesitate to say they

would happily sacrifice all their material

possessions to see the Dalai Lama in

With each passing year, any return, or visit, by the Dalai Lama appears less

likely. Beijing exercises tight control

over Tibet and has little incentive to ne-

Courting support for his proposal, the

Dalai Lama is expected to meet with

Vice President Al Gore at the White

House during his current visit to Wash-

ington. During the last such visit, Pres-

ident Bill Clinton dropped by, and he may well do so again this time.

Tibetan exiles have said the Dalai Lama would like to meet the president of China, Jiang Zemin, at a holy Buddhist mountain in northern China. A secluded

location to which the Tibetan leader can

travel as a monk, rather than as a political

gotiate with the exiled religious leader.

Tibet for a single day.

Through the 1990s, Turkey and Israel Cyprus has been in a tense dispute with have forged a close strategic relationship. The Israelis have sold military equipment and provided training to the Turks, and the Turks have allowed Israeli military planes to fly over Turkish air space. Before the Turkish prime minister visited Israel in early September, Prime Minister Benjamin Netanyahn of Israel created a political storm by saying the relationship constituted a "new axis" in the Middle East. He later retracted

this description, saying he had not ex-pressed himself well. Writing for the Israeli paper Yediot Ahronot, Ron Ben Yishai, a security expert, said the arrests were meant to send "a warning to Israel lest it decide to provide Turkey with any intelligence or military assistance in its fight against Greek Cyprus."

Mr. Euriviades said the Cypriots would probably charge the two with espionage within the week. Spying is punishable by a maximum sentence of 10 years. [Justice Minister Nicos Koshis of

Cyprus said police would see the issue the evidence was hard enough, Renters reported from Nicosia.]

This is a state, there is justice and nobody is above the law," he said.)
But it remained unclear whom — if

anyone -- the two Israelis represented. Some intelligence experts theorized that they were working directly for the Turks, who have vowed to block the imminent delivery of the new surfaceto-air missiles.

The Cypriots fear that the Israelis have trained Turkish pilots in sophis-ticated interception techniques.

The Mossad has been known to use Cyprus for training missions, and Gad Shomron, a former Mossad agent, said that the two Israelis, who had previously visited Cyprus, were on such a mission.

There is no doubt that based on the ough, and take the suspects to trial if information that we have, they came for the purpose of spying on the Republic of Cyprus and specifically the National Guard," Sergeant Kyriakos Kyriacou, the police lawyer for the Lauraca district, told a court

The Israeli press Sunday used the occasion to recount all Mossad's most recent blunders. They included an incident this year, when five Mossad agents were caught trying to bug a house in Bern, Switzerland. That same week, the Mossad director resigned over a bungled attempt to assassinate a Hamp-official in Jordan last fall.

#### Keeping Vigil for the Dalai Lama

#### Tibetans Wait as Religious Leader Tries for Talks With Beijing

By Seth Faison New York Times Service

LHASA, Tibet - On an old stone stairway beside the Potala Palace, the unoccupied fortress where the Dalai Lama once presided over Tibet, an elderly woman navigated her way down a long procession of steps after coming

here to pray.
"I always come carrying the hope that

old, and now I am afraid I may never get

Tears spilled down her cheeks. People tell me that good things will come in the future," said Mrs. Lhamo, 76, wiping her eyes with the sleeve of her sheepskin-lined robe. "But I wait and

wait and never see it. It never comes." An intensely religious people who revere the Dalai Lama as a god and a revere the Dalai Lama as a god and a But international pressure on China to king, Tibetans nurture a fervent desire to relax its grip on Tibet has mounted in

#### I will live long enough to see the Dalai see their leader return to the Potala Lama here again," said the woman, Palace, which has been vacant since the Chanchup Lhamo. "But I am getting day he fled to India in 1959. recent years, and the Dalai Lama himself is proposing a new initiative that he hopes will lead to talks with Chinese Ultimately, he would like to see an agreement allowing more self-rule for Paris to Supply Its 90,000 Trees Tibet under Chinese sovereignty and, of course, permitting him to visit his home-

With Electronic Identity Papers

PARIS - The city of Paris is planning to put electronic "badges" on all the estimated 90,000 trees along its streets, enabling them to be identified individually.

That will enable the city to treat diseased trees before they can contaminate others and thus prevent epi-

lion francs (\$700,000), will be com- color as the bark. pleted by the end of next year, according to the city's Parks and

Continued from Page 1

rates among currencies "big and small."
Reminded that senior U.S. Treasury of-

said Monday that Germany was facing "deflationary dangers" that stemmed from the worldwide economic crisis and

deficits, or would it not be more reasonable to first cut interest rates?

Central Bank continued to resist pres-

sure for rate cuts, Mr. Flassbeck said,

in time, but it cannot be excluded."

rency, the curo, in January.

spending," he said.

15: cumstances than fiscal policy.

23 new government spending.

German lending rates.

C Germany, he said.

it happen?

That is a hypothetical case at this point

He said be hoped it would be possible

to avoid a "trade-off" between the need

to relax discipline on public spending

creases, looser credit terms and government spending — Mr. Flassbeck

said, "Monetary policy is always the

stronger instrument under normal cir-

He continued, "that is why I would favor a first role of monetary policy" in

At stake in Germany, he said, were

half a million jobs that could be lost

next half-million unemployed. And the

Mr. Flassbeck, who is considered a

possible successor to the Bundesbank's

president, Hans Tietmeyer, who retires

in June, recently called for a drastic

reduction of a full percentage point in

On Monday, he said, "I will not say

that any more," adding that the call had

been based on a technical argument re-

lated to short-term and long-term rates.

in machinery remain unusually weak in

171 the effort to prime the German economic

petition of ideas" in the G-7.

falling unit labor costs at home.

RIGOR: Bonn Urges Economic Stimulus

Mr. Flassbeck, who last week atten- Flassbeck said that consumer spending

ded a Bundesbank Council meeting at could be stimulated through wage in-

which he and Mr. Lafontaine unsuc- creases greater than the average of 2

"It is quite clear that there are signs of In announcing plans for Germany's slowdown all over Europe and in the G-7 initiative, Mr. Flassbeck stressed

United States," Mr. Flassbeck said in an that currency turmoil had shown the

interview at the Finance Ministry in need for "some kind of adjustment me-

Bonn. "So the question arises about chanism" that would allow currencies to what we can do. Should we run huge fluctuate in a less volatile manner.

cessfully pressed their case for a rate cut, percent in recent years.

ety, date of planting and remedial

But on the ground it was sometimes difficult to pinpoint the exact tree because there might be several planted between two huildings in the same

After rejecting as ugly the idea of painting each tree with a number and as impractical that of nailing a sign on demics like the one that destroyed as impractical that of nailing a sign on the city in the 1970.

It could also help cootain a termite age the tree or be ripped off by vaninvasion, which began in 1994 and has already affected 1,300 trees.

The plan, expected to cost 3.5 mil
trunk and masked by putty the same

The badges can be "read" at a distance of 30 centimeters (one foot). In 1992, Paris drew up a data bank for cattle, has been used in small exon the trees lining its boulevards, in- periments on trees in Mannheim, Gercluding listing for each tree, its vari- many, and in London.

percent. "Actual inflation rates are gen-

stance of the new government, Mr.

To stimulate consumer spending, he

said, "I think, step by step, we should return to the 3 percent to 4 percent

range" of annual wage increases.

figure, may be more conducive to quiet Essentially, Beijing's position is that it will not recognize the Dalai Lama as a religious leader of Tibetan Buddhists until he declares total allegiance to

Beijing, affirming that Tibet has always The Dalai Lama's calls for greater antonomy, Beijing says, are a way to

gain international support for his longerterm goal, and Beijing's greatest fear: making Tibet an independent nation. Thus, Beijing insists on verbal declarations of allegiance to the Chinese na-

tion by the Dalai Lama and seeks the same well below the Bundesbank's target of 2 from other prominent Buddhist lamas who are considered "living buddhas," or erally overstated by at least three-quar-ters of a percent, so inflation in Germany reincarnations of deceased lamas. ficials were opposed to the concept, Mr. today is close to zero," he said.

Flassbeck said it was time for "a comIn another sign of the neo-Keynesian

"All living buddhas have to be pa-triotic," said Ma Chongying, deputy di-rector of the Minority and Religious Affairs Bureau in Tibet.

"If you're not patriotic, there's no such thing as being a living huddha. This is an unchangeable principle." Equally unchangeable, it seems, is the reverence here for the Dalai Lama, despite relentless denigration by the

a local resident is routinely greeted with a toothy smile and a hig thumbs-op. No open worship of the Dalai Lama is

who mentions the Dalai Lama's name to



A Tibetan woman leaving Potala Palace, the Dalai Lama's former home.

and other worshippers sometimes ask not mention his name too loudly while visitors for a likeness of the Dalai Lama, but only out of earshot of the men and women in plainclothes who loiter around religious sites in oddly large numbers.

In the long run, Chinese officials evidently hope that the Dalai Lama issue will disappear. Looming behind the current efforts at negotiation is the critical ques-tion of the Dalai Lama's succession, traditionally decided through a highly mystical procedure of locating his reincamation in a young boy somewhere

on the Tibetan plateau. Chinese leaders are likely to prevent Tibetan religious leaders from choosing a new reincarnation of the Dalai Lama, Chinese anthorities. A visitor to Tibet or to control the process so tightly that Beijing in fact determines the choice. The current Dalai Lama is 63.

At the Potala Palace, a 1,000-room mansion that majestically crowns the playing the Dalai Lama's picture is holy capital, pilgrims come each day to about the equipanned except in private homes. Monks worship the Dalai Lama, even if they do silver chalice.

Inside one room of the Dalai Lama's former living quarters, a small throne draped with green and white silk embroidery and offset by a long row of gold-encased cabinets filled with Buddhist statues and jewelry is covered hy thousands of white scarves brought by devoted pilgrims.

On a recent morning, an elderly couple dressed in the long black and maroon robes of herdsmen from the countryside stepped forward to prostrate themselves on the worn stone floor. Their two children followed suit on the floor behind, as did a granddaughter in a

bright yellow parks.

A Lhasa policeman, with a mild pannch and dark sunglasses, watched silently from the back of the room. After the family moved on to the next room, he permitted. A favorite practice of dis- entire valley surrounding Lhasa, Tibet's stepped forward and put a 10 year note, about the equivalent of a dollar, on a

#### **ISRAEL:** Big Day for Russians

Continued from Page 1

trade and industry. "For the first time, new immigrants will be represented broadly in all the bodies making decisions about daily life for Israeli cit-

Miss Slutsky said: "Even if we had backing on local councils in the past, we don't want it. We don't want to say thank you to anyone. We want to do everything with our own hands.'

Russians - as former Soviet immigrants are collectively known here—count as Israel's largest ethnic group by far, but until now they have been virtuall. absent from local politics. After they began arriving in waves at the start of the decade, their main challenge was to learn

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Hebrew, find jobs and build lives. Now they are moving up the social and economic ladder faster than anyone forecast, fueling a high-tech boom in the Tel Aviv-Haifa conridor and setting new standards for Israeli music and theater. The next step was to move into the country's power networks, which they are doing by fielding lists of candidates in nearly half of the 160 local councils.

Among Russians, the talk is self-congratulatory and triumphant. But many here fear that Israel's sectional politics bodes ill for a society whose strength in the past, at least in its own mythology, has been a unifying national idea. For some analysts, the Russians' growing power signals an emerging system of competing and mutually hostile ethnic fiefdoms — some who eat pork and ignore the strictures of the Jewish Sabbath, as many of the Russians do, and other, more observant Jews.

They come here and now they want to take over," said Ayal Almo, a soccer They open pork stores. A lot of them aren't even Jewish, so they do damage to traditional values. They il hand jobs out to their friends and allow public transport to operate on the Sabbath."

As Israeli communities continue to splinter, local politics has come to be dominated not by the traditional big parties but by ethnicity and religion.

'Israel becomes a country of sectoral interests, with oo unifying themes," said Avishai Margalit, a respected Israeli political scientist and writer. 'Politics is pact between ghettos - Russian and ultra-orthodox and North African immigrants. There's nothing unifying,

nothing dominant."
Mr. Sharansky and his Russian allies argue that there is nothing wrong with any of this, that the myth of the Israeli melting pot was always just that - a myth. The new model, they say, is a mosaic of Jews, each of his own culture, sharing power

and making compromises. Yet in the process, tensions are being unleashed that worry many Israelis. The local elections, the first since 1993, have been marred by dozens of incidents of violence between religious and secular Jews and between Ashkenazic Jews from Europe and Sephardic Jews from the Middle East and North Africa

A Russian-speaking immigrant sol-dier from formerly Soviet Moldova was knifed to death Friday in a cafe in the coastal city of Ashkelon. According to the police, the soldier, Ian Shepshovitz, apparently provoked his Sephardic sailant simply because he was speaking Russian with his friends.

There was nothing overtly political about the incident, nor was it connected to the elections. But to many Russians it symbolized the hostility with which they are regarded by some Israelis, especially such earlier immigrants as Moroccans, whose rise up the economic rungs has not been as meteoric as the Russians'.

'He was killed just because he spoke Russian," Sofia Landver, a Russianspeaking member of Parliament, told a large group of Russians in Ashdod. "He couldn't speak Hebrew well enough. I hope this whole country will one day be

#### Asked what the government would do IRAQ: U.S. Plans for Military Action and Gains Backing for Political Gamble in Gulf if the Bundesbank and the new European

#### Continued from Page 1

how much can be accomplished from the air, but the campaign would be helped by the extensive intelligence about Iraqi mil-itary dispositions that has been collected

during the UN inspections since 1992.

A bombing campaign on the scale indicated by U.S. officials would imply and the need to respect the terms of the European Union's stability pact — the agreement to hew to strict deficit targets after the introduction of the single cursignificant civilian casualoes in Iraq. But a National Security Council official 'If we are not allowed to use monsaid Monday that "we can sustain politetary policy, then the logical conclusion ical support for air strikes in pursuit of clearly identified objectives" — apparently meaning that Iraq would be publicly warned against weapons manufacture, terrorism or domestic repression. is to have a fresh look at fiscal policy and Citing three "instruments" that can 11 counter the slowdown -- wage in-

The concern that has dogged U.S. policy in previous confrontations has been that bombing could backfire if it led

and increased the risk of nuclear pro- Britain and France on Saturday in Paris. to their widely reported public jitters, off cooperation with UN inspectors and Clinton administration seems to have accepted the idea that punitive, perhaps preemptive air strikes offer the only remaining recourse against Iraq's quest for weapons of mass destruction.

The tougher U.S. fine, far from alienating allies, seems to have won adhesion from countries in Europe and the Middle East that sought to keep Washington at arm's length in showdowns with Iraq last year and again last summer.

"The U.S. approach this time is pro-fessional, highly professional, without the hluster that was a worrying sign on previous occasions," a French official said Monday after closely held consultato the ouster of UN inspectors from Iraq tions on Iraq between the United States,

liferation in Iraq. Since Iraq has broken In particular, he said, Washington had been diplomatically astate in phrasing demanded that sanctions be lifted, the the possible use of force as a gesture supporting the Security Council, not a unilateral U.S. initiative that made it harder for France and some other countries to join in.

While France has been publicly caotious, there are signs that Paris has agreed to join in military action unless Mr. Saddam backs down completely in the next few days. An aide to President Jacques Chirac said Monday that the latest Security Council resolution carried such a strong condemnation of Iraq that military action could be justified. Britain has already aligned itself with Washington.

Saudi Arabia and other key governments have pledged to back tough action against Iraq. The message given to De-fense Secretary William Cohen last week in the Gulf, according to an Arab ambassador in Paris, was in effect this: "We can't afford to let your planes use our bases if they're just going to drop a few bombs and leave, but if you mean

business, we're with you." Both Israel and the Palestine Liberation Organization also find themselves politically beholden to the Clinton administration, which also showed skillful footwork in dispatching pro-U.S. Kurdish leaders to Turkey to provide public reassurances that the fall-European support has been quietly paralleled in the Middle East, according to U.S. officials, who said that, contrary of the Baghdad regime would not lead to

#### GERMANY: The Nazi Horror of Kristallnacht Echoes in a Divided Nation as Debate About Its Past Continues

#### Continued from Page 1

without help from interest-rate cuts or that the German people had shown their "The question arises how to avoid the themselves from extreme rightist slo- ace as a real one and devoted much of his gans. "It is our task to fashion the question may be, 'Do we avoid that or let present and the future so that the past cannot repeat itself," Mr. Schroeder

> Kristallnacht represents one of the darkest pages of that past. At least 7,500 Jewish stores were plundered and their windows smashed as close to 30,000 Jews were rounded up and sent to prison camps. In Berlin alone, 9 of 12 syn-

agogues were destroyed. Germany has repeatedly confronted and sought to atone for these acts — Consumer spending and investment President Roman Herzog called them Monday "one of the most horrible and shameful moments in German history" Prices are rising at an average annual — but Mr. Bubis and other Jewish lead-time, a moral stip rate of 0.7 percent, which he noted was ers focused unrelentingly on what they pulsory exercise.

portrayed as a new readiness to suppress

that the German people had shown their Clearly criticizing the new chancellor, 'democratic maturity' by dissociating Mr. Bubis portrayed the neo-Nazi menspeech to a sharp attack on one of Germany's leading writers, Martin Walser, who was awarded the top prize at the Frankfurt Book Fair last month.

In accepting the prize, Mr. Walser, a widely respected figure here, suggested that a "routine of accusations" against Germans had developed. He said no serious person denied Auschwitz, but "if the media present this past every day, I feel in myself something that begins to resist the permanent presentation of our

shame.' The writer continued: "Auschwitz is not suited to becoming a routine threat, a tool of intimidation that can be used any - but Mr. Bubis and other Jewish lead- time, a moral stick or merely a com-

Criticizing the "exploitation of our disgrace for present purposes" - an apparent reference to Jewish financial claims for World War II reparations -Mr. Walser also noted the suspicions aroused if one dared declare that "Germans have become a normal people oow, an ordinary society.

Asked recently about Mr. Walser's remarks, which also included a blant attack on what he called "the monumentalization of disgrace" and the "soccer-field-sized nightmare" of a proposed Holocaust memorial in Berlin, Mr. Schroeder declined to criticize or endorse the author.

But Mr. Bubis embarked on a vehement denunciation of Mr. Walser on Monday, saying it was "moral arson" for anyone to talk of the exploitation of Auschwitz or suggest that it had become is not a means to intimidate Germans. "We ism." can't stop showing films of the camps,

Many letters to the German press over having the courage to say what many German people silently feel, but Mr. Bubis characterized the remarks as particularly dangerous because they came from a respected figure with no attachment to the German right.

Another Jewish community leader, Michael Friedman, said that Mr. Schroeder had a duty to define his views government has expressed grave reserabout what Mr. Walser said because the remarks concerned "a fundamental isput to a parliamentary vote next year.

spread of late," Mr. Bubis said. "In-

He added that references to the pro- next year

just so Walser gets his peace of mind posed Holocaust memorial as "a night back," he said.

mare" were unacceptable. "It was the mare" were unacceptable. "It was the disgrace that was monumental," he said the last month have praised the writer for of the Holocaust. "It will not be mo-

numentalized by a memorial." After a decade of discussion, Germany had appeared ready to move ahead with a design by Peter Eisenman, an architect based in New York, for the construction of a labytinth of about 4,000 concrete pillars close to Berlin's Brandenburg Gate. But the Schroeder

sue of German identity."

With the move of government offices

The trend in Mr. Walser's speech is back to Berlin just months away and something that is more and more wide with several ministries destined to be housed in buildings also used by the tellectual nationalism is spreading and it is not free of an understated anti-Semitism."

Nazis, the sharp differences evident Monday appear likely to intensify as Mr. Schroeder's "Berlin Republic" is born

**Belgrade Court Fines Paper** 

BELGRADE - A court in Bel-

independent daily newspaper after emment-finding them guilty of breaching Ser- Four

grade has imposed the maximum fine

on the owners and chief editor of an

bia's restrictive new information law.

Doevni Telegraf paper, the court ruled that its publishing company and chief editor, Slavko Curuvija, must pay 1,2 million dinars (\$120,000) for "publishing information inciting destruction of the constitutional order."

The verdict against the newspaper, known for its criticism of President

Slobodan Milosevic's regime, was

handed down a day after it resumed publication following weeks of gov-

ernment bans, court trials and police

Following a trial Sunday against the

the media reported Monday.

**EUROPE** 

Telegraf ran an ad paid for by a Bel-

grade University student group that called for the abolition of the gov-

Four students belonging to the

group were arrested last week for spraying graffiti of the group's sym-

bol, a clenched fist, and sentenced to

paper was sued by a high-ranking Serbian official and a close Milosevic

associate, who said that it violated

The defendants and their lawyers

stormed out of the Belgrade district

court Sunday after two hours of hear-

ings, protesting what they described as the partiality of the judge. The court verdict gave the owning

company 24 hours to pay the fine.

Within hours after it ran the ad, the

10 days' imprisonment.

Scrbia's new media law.

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#### RAEL: Day for Russia Continued from Page

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Its Past Continue

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The Associated Press
PRISTINA, Yugoslavia —
The bodies of two Serbian poficemen were found in central Kosovo on Monday, Serbian officials said, the latest evidence that a month-old cease-fire in the troubled province is coming under in-Creasing strain.

The policemen, who have been missing since Friday, Opere found by a police patrol Mear Malisevo. Initial findings indicated they had been shot Slavko Curavija, the paper's editor. raids. at close range, according to a Serbian media statement. The report comes amid an and said Kosovo Liberation pect the slain policemen were ipswing of scattered violence Army guerrillas fired first. A KLA rebel said the shootings kidnapped by Kosovo rebels in in Kosovo, roughly four weeks after a pact aimed at retaliation for the shootings of

were a violation of the cease-

halting the conflict between fire established last month. Foreign diplomatic observbanian separatists was struck between the Yngoslav pres-ident, Slobodan Milosevic, ers accompanied by a U.S. envoy investigating war crimes, David Scheffer, went to Malisevo on Monday to look into the policemen's deaths and a reported gun battle Sunday Tension temains high over the killings of five ethnic Alnight between Serbs and ethnic Albanian rebels in the lice on Friday in central Kosovo. The police described town. No casualties were reported in that clash.

the five guerrillas.

Mr. Scheffer came to Kosovo on a one-day factfinding tour after attending a

crimes in Belgrade. His visit comes amid a continuing controversy over the failure of the Yngoslav authorities to co-operate with the United Nations war crimes panel trying to investigate allegations of atrocities in Kosovo.

were refused access to the province. Mrs. Arbour and Mr. Scheffer have threatened Yngoslavia with UN sanctions if the authorities continue to defy demands for un-

Germany to Join Force contribute to a military force potential NATO air strikes.

ecutor for the international whose mission is to protect war crimes tribunal in The unarmed observers monitoring Yagoslavia's compliance with the cease-fire accord in Hagne, and a team of inves-tigators had planned a weeklong mission in Kosovo Kosovo, Chancellor Gerhard to begin last Wednesday but Schroeder said Monday, The from Berlin.

Mr. Milosevic so that he stuck Germany said it would to the Oct. 12 deal that averted

After his first meeting chancellor with the NATO secretary-general, lavier So-lana, Mr. Schroeder said there was "scamless agreement" that pressure must be kept on

#### BRIEFLY

#### EU Weighs \$480 Million Bonn to Lift Surveillance In Food Aid to Russians Of Ex-Communist Party

BRUSSELS — The European Commission proposed a \$480 million package of food aid for Russia on Monday to belp offset shortages expected this winter as a result of the financial crisis and the worst harvests in four decades.

Hans van den Broek, the EU commissioner responsible for relations with Moscow, said he expected a formal Russian request for food aid in the next few days. "It is extremely important that we put the mechanism in place to ensure

the aid reaches its destination," he said.

The proposal, outlined to EU foreign ministers, needs the approval of the European Parliament and the 15 EU governments. Wheat, rye, pork, beef, milk powder and rice would be delivered for free but sold at local prices to avoid disrupting the market. (AFP)

#### oversees the intelligence service. Latvia Hopes for Talks

great strides toward joining the grouping. During the term of Finnish presidency; we may be safe to speak of beginning talks.

#### Nuclear Plant in France Said to Leak Radiation

PARIS — The environmental group Green-peace said Monday that the French nuclear reprocessing plant at La Hague was emitting very high levels of aerial radioactivity.

Samples of the air taken at altitudes of 60 to 1,000 meters showed high levels of radioactive Kr-85 gas, Greenpeace said. It used kites to send up equipment, taking the first sample Wednesday.

The worldwide average level of radioactivity in the air is from 1 to 2 becquerels per cubic meter, while the amount recorded at La Hague was about 90,000 becquerels per cubic me-

#### In 1999 on Joining EU 🤚 RIGA, Latvia -- President Guntis Ulmanis

BERLIN - The German government

plans to lift its intelligence service's sur-

veillance of the Party of Democratic Social

ism, Interior Minister Ono Schily said Mon-

The Party of Democratic Socialism is the

successor to the former East German Com-

munist Party. The surveillance, by the Office

for the Protection of the Constitution, creates

a "muddled" and "precarious" situation now that the former Communists are in a

governing coalition with Social Democrats in Mecklenburg-Pomerania, Mr. Schily said.

er, Peter Struck, said last week that the Party

of Democratic Socialism would be given a

seat on the parliamentary commission that

The Social Democratic parliamentary lead:

said Monday he hoped Latvia could join European Union accession talks some time in the second half of 1999, when Finland will hold the EU presidency.

Mr. Ulmanis said on state radio that al-

though Larvia had not been recommended for fast-track negotiations in a report last week by European Commission, his country had made

Reuters

#### Blair Deputy Attacks the Press for Prying

Yugoslavia and ethnic Al-

and the U.S. negotiator Rich-

banian rebels by Serbian po-

ard Holbrooke.

New Deaths

In Kosovo

**Cloud Pact** 

LONDON - Deputy Prime Minister John Prescott crinicized the press on Monday for prying into politicians' private lives as the best-selling British tabloid, The Sun, de-manded to know whether Britain was being run by a "gay Mafia."

Mr. Prescott went on the offen-

sive after the agriculture minister, Nick Brown, was forced to acknowledge that he is a homosexual. The disclosure was made after a former lover of Mr. Brown's tried to

sell his story to a Sunday newspaper.
I think it's quite deplorable,"
Mr. Prescott said in an interview with the BBC, referring to such

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dustry watchdog, to clamp down on

Most British newspapers ex-pressed sympathy on Monday for Mr. Brown, but The Sun said the revelation that another member of Prime Minister Tony Blair's cabinet was gay had set alarm bells

"Tell us the Truth, Tony," the tabloid, owned by Rupert Murdoch, said in a front-page editorial. The Sun has a circulation of about 3.8 million, the largest among British

It said it did not want to pillory homosexuals but asked: "Is Britain "They seem to be judge, jury and being run by a gay Mafia of politi-executioner in this matter. It's cians, lawyers. Palace courtiers and totally unacceptable, and I think TV bigwigs?"

British public opinion is against it also." He called on the Press Complaints Commission, a voluntary industry watchdog, to clamp down on Murdoch and is Britain's best-selling Sunday newspaper, was approached by a former lover of Mr. Brown's with what it said was "a series of fanciful and lurid allega-

> Mr. Brown, 42, acknowledged that he occasionally gave his partner small sums of money but denied he ever paid for sex.

Cabinet colleagues closed ranks behind Mr. Brown, who joined the cabinet in July after serving as chief whip, or parliamentary business

But he made his bitterness clear in a brief television interview on Sunday. "I had rather hoped I could have a private life like other people," he said.

#### **Turkey Begins New Iran-Gas** Pipeline Link

ERZURUM, Turkey — Prime Minister Mesut Yilmaz broke ground Monday for part of a pipeline to carry both Iranian and Turkmen natural gas

to Turkey and the rest of Europe.

Turkey is scheduled to receive Iranian gas by the middle of next year through a pipeline already under construction between this eastern city and the Iranian border.

The first 100 kilometers of the ipeline have already been built," said Nevzat Arseven, head of the stateowned pipeline company Botas, in reference to the 301-kilometer (188-mile) pipeline. Mr. Yilmaz broke ground on the Erzurum-to-Ankara leg. which is to be finished in 2001.

The United States, which accuses Pinochet Lawyers Fear for Chile's Stability deal But with its annual demand for idential heating, expected to quad-ruple to 45 billion cubic meters (1.6 trillion cubic feet) by 2005, Turkey has agreed to buy 3 billion cubic meters of Iranian gas each year. The

Turkey plans to purchase gas from would be the main junction for pipelines running from Iran and Turkmenistan through to Ankara, nearly 900 kilometers to the west. Turkey also is vying for a Caspian Sca of

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#### Completely One Soff From Disputed remains under arrest. General hearing before a five-judge panel in LONDON — Lawyers for General Pinochet has vowed that he will the House of Lords, Britain's highest

A key issue "is whether the court and state stability," Clare Mont-gomery, a lawyer for General Pinochet, said in the House of Lords. From the London hospital where he

not justice," he said in a four-page should interfere with the delicate bal-ance between the interests of justice Sunday. "My fellow citizens have come to terms with our nation's past.

They are my true judges." Ms. Montgomery opened General Pinochet's case on the third day of a

Augusto Finochet told Britain's streamously fight prosecutors' efforts highest court Monday that to uphold to extractite him to Spain on mass-the former dictator's arrest would imperiate the former dictator's arrest would imperiate the former dictator's fragile democracy.

"A show trial in a foreign land is had diplomatic immunity as a former Turkey plans to purchase gas former Turkey plans to purchase gas former than the former told Britain's streamously fight prosecutors' efforts court. The hearing was called after that agreed to buy 3 billion cubic prosecutors appealed a Oct. 28 High court ruling that General Pinochet amount will be quadrupled later.

Turkey plans to purchase gas former told Britain's streamously fight prosecutors' efforts prosecutors appealed a Oct. 28 High care of Iranian gas each year.

Court ruling that General Pinochet amount will be quadrupled later. foreign head of state.

Prosecutors are arguing that the charges against the former dictator of committing genocide, murder and torture should overrule any immunity. The law lords are expected to prolong the case until midweek. (AP, AFP)

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EURES FROM

#### ASIA/PACIFIC

#### **Indonesian Military Abandons Political Post**

By Cindy Shiner
Washington Post Service

JAKARTA -- On the eve of a key meeting to chart Indooesia's path to democracy, the head of the armed forces said Monday that the military was elim-inating a key post that had allowed it to openly sway the country's politics for

Analysts characterized General Wirinto's move as an attempt to throw a bone to demonstrators who are calling for sweeping changes during the special meeting this week of the People's Consultative Assembly, the most powerful lawmaking body in the country.

The 1,000-member assembly is to

establish a framework for elections next year and institute other political changes following President Suharto's resignation in May after 32 years of authoritarian rule. Among the latest demands by studeot demonstrators who belped pressure him to resign is a reduced role for the military in politics.

General Wiranto, who is also defense minister, said the military's sociopolitical division, headed by a senior general, would be abolished, calling it "no longer relevant, currently and in the future, in line with the duties, function and role of the armed forces," accord-

ing to Reoters.

The posicion is being replaced by a oew post, the army's chief of staff for territorial affairs. It was not immediately clear how much power that job would bold, and observers said it was

unlikely that the military would fade into the background with the climination, or transformation, of one job.

The military is allocated 75 seats in Parliament, and there is speculation the number will be reduced to 55 this week. But the most staunch opponents of the government want the military to withdraw from politics altogether.

There are growing fears that violence will erupt this week between pro- and anti-government protesters if concrete reforms are not undertaken. Thousands of students are expected to converge at the Parliament building, where the assembly is to meet. Adding to the tension is the military's move to recruit more than 100,000 civilian guards to help maintain order on the streets of Jakarta.

Truckloads of youths rode through the city Monday, shouting and brandishing bamboo sticks, before attacking a local university. They threw stones and bottles, but no serious injuries were reported. The government says it wants to head

off unrest reminiscent of massive rioting in May that left at least 1,200 people dead before Mr. Suharto resigned.
But some skeptics say that bringing in a poorly trained civilian guard from out of town is an attempt by members of the armed forces to foment violence as an

excuse for a crackdown. Adding to public cynicism are the recent findings of a government-backed fact-finding team. In a report released last week, the team said rogue members of the military were partly responsible for the rioting in May.



Anwar Ibrahim saluting supporters on Monday as he left the High Court in Kuala Lumpur, where he

#### Anwar Accuser Cites Coaching

KUALA LUMPUR — A woman who accused Anwar Ibrahim of sodomy in 1997 said a trusted ally of Prime Minister Mahathir bin Mohamad had advised her to

write a report on the allegations.

The 1997 letter by Ummi Hafilda Ali appeared to be the first document presented in Mr. Anwar's criminal trial that links Daim Zaimiddin, the special functions minister, and other high-ranking government officials to the allegations. Mr. Anwar, the former finance minister

and deputy prime minister, has pleaded not guilty to five charges of corruption and five charges of sodomy. Mr. Mahathir has called him morally unfit: Mr. Anwar says he is the victim of a high-level conspiracy to sideline him.

In the letter, dated Aug. 18, 1997, and addressed to Mr. Mahathir, Ummi Hafilda Adi retracts allegations of sexual misconduct she made against Mr. Anwar on Aug. 5. saying they were based largely on "imagination and assumption."

In an Aug. 5, 1997, report to Mr. Mahathir, she accused Mr. Anwar of adultery with her brother's wife, Shamsidar Taharin, and of a homosexual relationship with Mr.

and of a homosexual relationship with Mr.
Anwar's former driver, Azizan Abu Bakar.
She wrote in her retraction that before she reported to Mr. Mahathir she met with Mr.
Daim and the wife of the domestic trade minister, Megat Junid Megat Ayob. "At that meeting, he advised that a report be prepared in black and white before it is presented to the prime minister," she wrote in her retraction, portions of which were read Monday to the High Court. She said Mr. Megat Junid had referred her to Mr. Daim after is on trial on charges of sodomy and corruption. learning of the allegations through his wife.

#### BRIEFLY

#### Taleban Seeks Proof on Exile

ISLAMABAD, Pakistan — The Taleban religious, army wants evidence of the involvement of the Sandi, exile Osama bin Laden in terrorist activity by Nov. 20 or "in our eyes he will be acquitted," Abdul Hai Muttmay. an, a member of a Taleban inquiry body, said Monday.

Mr. bin Laden has been indicted by a U.S. court in the Ang. 7 bombings of U.S. embassies in Kenya and Tanzania that killed 224 people.

The Taleban said that it would not turn Mr. bin Laden over to the United States, but that if the U.S. admin-

istration furnished evidence of his involvement in terrorist activity, he would be tried under the religion militia's strict Islamic laws.

#### Hong Kong Court Backs Rule

HONG KONG — Foreigners working for Hong Kong's civil service must be proficient in Chinese if they want to be classified as permanent employees, a court ruled Monday.

Hong Kong instituted the Chinese-language requirement in November 1997, less than four months after the territory was handed over to China from Britain.

The Association of Expatriate Civil Servants, representing mainly British people who still work for the Hong Kong government, complained that the rule violated its members' civil rights, government run Radio Hong Kong reported.

#### U.S. Energy Chief Visits Taiwan

TAOYUAN, Taiwan — The U.S. energy secretary, Bill Richardson, arrived in Taiwan on Monday on a highlevel visit that has inked Beijing....

Mr. Richardson, one of the most senior officials to wait Taiwan since Washington switched diplomatic recognition to Beijing from Taipei in 1979, said he came to Taiwan to reaffirm U.S. friendship with Taipei. (Reuters)

#### **North Korea** 'Insulted' by U.S. Demand

SEOUL - North Korea oo Monday called U.S. demands for inspection of an underground fa-cility suspected of being a secret nuclear weapons plant an insult and "wanton interference in its internal

Pyongyang "will oot tolerate any interveotionist moves that infringe upon our sovereignty but resolutely reject such a brigandish demand as house search," a Foreign Ministry spokesman was quoted as saying by the official press agency KCNA.

Their insistence oo inspectioo of our underground facility means to search all our internal thi which is an insult," he said. He insisted Pyongyang had "sincerely implemented" its 1994 accord with the United States, uoder which it agreed to suspeod ouclear operations in return for the U.S.-led coostruction of reactors.

The outhurst came a week before a scheduled visit by Charles Kartman, a deputy assistant secretary of state who is to seek inspection of the underground complex.

But Pyongyang said Washington could inspect the facilities under its terms and if it agreed to pay com-pensation should on ouclear link be

"We have repeatedly told the U.S. side that the object about which the U.S. side threw doubts is a civilian underground facility,"
the spokesman said, adding, "If the
U.S. side is willing to inspect the
object at any cost, therefore, it may make proper compensation and inspect the object as we demand."

#### Nigeria Prepares for Vote With Hope and Skepticism

By Norimitsu Onishi New York Times Service

LAGOS - She was at least as elusive as the other dreams this country has pursued. A mermaid was spotted last

pursued. A mermand was spotted last week under Falomo Bridge, swimming in the creek spilling into Lagos Lagoon. After word spread, hundreds of drivers parked on the bridge, which leads to Victoria Island, this city's busi-oess center, creating a traffic jam. The curious, the hopeful, the doubtful stood there and peered into the waters below.

with a similar mixture of des perate hope, cautious optimism and deep skepticism that Nigerians are watching their country's new military rulers who have promised a permanen change to a civilian government.

The scheduling of elections, the release of political prisoners and other reforms have carned positive reviews in the West for General Abdulsalami Abubakar, who took over as president in June after the unexpected death of Gen-

eral Sani Abacha.

But in Nigeria, Africa'a most populous country and one long split by ethnic, religious and regional loyalties, distrust of such promises runs deep. Many Nigerians — journalists and activists, opponents of the government and area some of its own officials. and even some of its own officials -

warn against being too optimistic.

Although many Nigerians say there is already a greater feeling of freedom, they are quick to add that political reforms have oot gone as far as they should. They say Nigeria's problems will not be quickly solved. Among them are a military accustomed to holding

power and a split between the Sooth, which produces the country's oil, and the North, which controls it.

the North, which controls it.

"The changes are only cosmetic," said Olisa Agbakoba, a prominent human rights lawyer in Lagos and a member of the Ibo, one of the three major ethnic groups in the country. "It's nice that Abubakar doesn't wear dark glasses"—a reference to General Abacha—"and that he're represented to he price and abut the state of the stat that he's supposed to be a nice guy. But

nothing has changed fundamentally." Next month, Nigeria is to start lurching toward democracy in a series of ruary with the presidential contest and a transfer of power to a civilian government oo May 29.

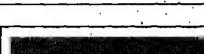
The United States has a great stake in these events, having raised its investments in the Nigerian oil industry and relied increasingly on the country, as West Africa's dominant power, to keep

peace in the area. For oow, before the government's promises have been put to the test of eleccons, even Mr. Agbakoba admits.

reluctantly, that things have improved. Early this year, under the old regime, be was arrested at the airport here after returning from Londoo. The authorities, he said, suspected anyone traveling to Britain or the United States of fraternizing with the Nigerian exiles there.

After two months in jail - and, more important, after General Abacha's death - Mr. Agbakoba became one of the hundreds of political prisoners freed hy General Abubakar. Today he travels freely, holds meetings with fellow political organizers and talks on the tele-

phone without speaking in code.



INTERNATIONAL



BREAK IT UP — A Bangladeshi police officer firing tear gas Monday into a crowd of demonstrators during the first day of a two-day strike in Dhaka, the capital. Two people were killed during the protest.

said. "You feel easy. You sleep easy. Both eyes firmly shut."

Beyond the release of political prisoners, the new openness has touched many levels of society. Exiles, most no-tably Wole Soyinka, the Nobel Prize-winning author who lives in Atlanta, accepted General Abubakar's invitation to visit. On the streets of Lagos, giant hillboards now demand human rights, Darting in and out of traffic, children now hawk political magazines, like Tell, which was banned until a few months ago and whose assistant editor was jailed.

Akin Akingbulu, executive director of the Independent Journalism Center here. said "guerrilla journalism" tactics were no longer necessary. Targeted publishers oo longer have to move from one printing site to another each week to avoid de-

"The shadow is no longer there," he tection and reporters are now permitted reforms would prolong his tenure and, d. "You feel easy. You sleep easy: to attend government news conferences. inevitably bring accusations of wanting to attend government news conferences. But this oew openness, Mr. Aking-

bulo says, may be temporary. He said the government had yet to repeal a ootorious law, Decree No. 2, that allows the authorities to detain people indefinitely under the catch-all of state security.

"Abubakar has been in power for five months," said Femi Falana, a well-known opposition lawyer. "It doesn't take anything to repeal that decree. It just takes a single stroke of his pen. If you say you are controlling the military, and you are popular among citizens, why are you leaving this problem for the next civilian president?"

Mohammed Haruna, chief press secretary to General Abubakar, said there was a limit to what the president could do in a short time. Undertaking all necessary

to cling to power, Mr. Haruna said.

An independent body was created to

oversee the elections, but irregularities have already been reported. About 16 million voter-registration cards vanished. preventing many people from register-ing, said Mr. Haruna and opposition leaders. But more important, reforms to ensure the viability of a civilian government after May have yet to be undertaken. No. constitution has been presented and they

military has not been reformed.

"At the end of the day, despite Abubakar's good intentions, the monstrous military institution is still there, said Tunji Braithwaite; a prominent Lagos lawyer who formed a party, the! Democratic Advance Movement, and is' seeking the presidency.

## WATCH?

#### Jean Marais, 84, Star Of French Film, Dies

PARIS - Jean Marais, 84, the French actor who began his career in art films as the protégé of the surrealist artist Jean Cocteau and became a pillar of the French cinema, died Sunday in Cannes, city officials said.

Mr. Marais had been in declining health for the past year and was hospitalized in June with malnotrition.

A would-be actor twice reiected from France's top drama schools, Mr. Marais went oo to become one of the nation's most beloved movie --- thanks to Mr.

Strikingly handsome, with thick blond hair which turned to pure white as he aged, Mr. Marais was best known for his role as the hairy beast in Rene Clemeot's 1945 classic,"The Beauty and the

He also starred in "The Hunchback" and was a said it was the greatest mo-swashbuckling hero in films ment of his life, even though such as "Le Capitan," Capitain Fracasse" and the disappointment
"Fantomas" series with "It was my ambition just as Louis de Funes.

Mr. Marais worked with top directors such as Jean top, he said in an interview Renoir, Luchino Visconti and with the Evening News in Abel Gance.

In the mid-1990s, he aret Les Folies Bergeres, and played Pros Shakespeare's Prospero in eare's the Tem-

pest." He published several

show of his art work in 1995. "Life is unfair," he told the Journal du Dimanche newspaper in 1996. "I got nothing but the best."

John Hunt, 88, Leader Of Everest Expedition

LONDON (AP) - John Hunt, 88, leader of the British expedition that first climbed Mount Everest, died Saturday night at his home in Henley-on-Thames after a brief illness, his family announced.
As leader of the expedition

in 1953, Mr. Hunt decided it was his responsibility to remain at base camp while Edmund Hillary and Tenzing Norgay climbed the last 400 feet (120 meters) to the sum-

Mr. Hunt recalled that he wept for joy when he heard Mr. Hillary's boast -- "Well, we knocked the bastard off?" - as he returned from the summit oo May 29. Mr. Hunt "Le there was a sense of personal

> much as everybody else's in the party to be first at the

"I thought about it a lot and starred at the famed Paris cab- concluded that it was important for the leader to be in a in position where he could exercise some control if necessary. It did not seem that I books about his life, and had a coold do both."

#### Ethiopia Accepts Peace Plan

ADDIS ABABA, Ethiopia — Ethiopia has accepted a peace plan drawn up by the Organization of African I nits to resolve its border conflict with Eritrea, Foreign Min

BRIEFLY

ister Seyoum Mesfin said Monday.

The plan, presented to Ethior ian and Etitrean leaders at a summit in Ouagadougou, Burkina Faso, over the weekend, was drawn up by the chairman of the African; organization and president of Burkina Faso, Blaise Compaore, with his counterparts from Zimbabwe, Robert Mogabe, and Djibouti, Hassan Gouled Aptidon.

The officials refused to disclose details of the plan.

which is reportedly based on a plan by the United States and Rwanda that called for a peaceful resolution to the conflict, an agreement by Ethiopia and Eritrea to delineate the frontier through negotiation, and a withdrawal of both sides' troops from the border.

(APP)

#### Ruling Party Wins in Mexico

PUEBLA, Mexico — The world's longest-ruling political party cruised to victory in gubernatorial elections in two Mexican states, but a coalition of opposition parties; eked out a win in a third race, results showed Monday. Revolutionary Party leaders in the states of Puebla and Sinaloa rushed to claim victory after exit polls gave the

party's candidates double-digit leads.

But in tiny Tlaxcala, an alliance of opposition parties led by the leftist Party of the Democratic Revolution managed a razor-thin victory. (Reuters)

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#### LONDON WEEK HIGHLIGHTS TREASURES FROM THE EAST

Dealers, auction houses and museums are offering a spate of Asian exhibitions and sales during the month of November.

nterest in both traditional and contemporary Asian art is on Nov. 18. Among those expanding rapidly, despite the financial crisis affecting participating in Mayfair, Ginardy parts of Asia. To celebrate this renaissance, dealers, useppe Eskenazi will be dismostration houses, museums and the academic and business playing Chinese works of communication in London are combining forces to host "Asian art from the 11th to 18th Art in London" from Nov. 10 to 21. Other important anctions century. John Eskenazi will being held in Paris, where a number of very rate objets be exhibiting Gandhara eart from China, Korea, Japan, the Ottoman Empire and sculpture from the first to Persia are being offered this month.

3.000 years of art

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An extraordinary variety of works of art will be on sale in Loadon, including ceramics, paintings, sculpture, furniture, precious jades, textiles, rugs and carpets, manuscripts and miniatures spanning three millennia. The geographic coverage extends from China through India to Turkey and from the Himalayas to Japan. Estimated prices range from more than a million dollars to \$50, thereby enabling both the connoisseur and the amateur collector to take part. "There is something for everyone," says Michael Spink, chairman of the Asia Art in London steering committee.

"We hope this will be a wearly event" says Giverner. An extraordinary variety of works of art will be on sale in

"We hope this will be a yearly event," says Giuseppe Eskenazi, one of the field's most respected dealers and another member of the steering committee. "London is a focal center for the vide of the steering committee." for the whole of Europe, and serves Europeans and Americans as well as Japanese, Taiwanese, visitors from Hong Kong and other Asians who come here to do business.

Assignificant feature of the 12-day event is the central role being played by the city's dealers in Asian art. More than 50, many of them world-renowned, will be taking part in a threeday series of open evenings: in Mayfair on Nov. 16; in St. James's on Nov. 17 and in the Kensington Church Street area



Gold functory music, Gundburen, c. 4th-5th contury, Shirley Day Ltd.

fourth century; Robert Hall, Chinese snuff bottles; Jacqueline Simcox, Chinese and Central Asian

combine their exhibitions with lectures, poetry readings

In St. James's and Kensington, dealers such as Spink, Rossi & Rossi, Marharukh Desai, Coben & Cohen, Berwald Oriental Art, Indar Pasricha Fine Arts and Jorge Welch are offering a variety of rare objects, including Chinese blue-and-white porcelain, Buddha images, an exceptional ower and cover from the Quantong period (c. 1750,) Han and Tang pottery, Mughal textiles, Indian tribal art and materials from ancient Bactria.

The dealers may be doing this for their own reasons, observes Sajid Rizvi, managing editor of the London publication Eastern Art Report (www.eapgroup.ndirect.co.uk). "but it's bound to help Asian art in the longer run. Asian art has been a good investment, but it is also aesthetically powerful."

The major auction houses in London have also scheduled their autumn sales to coincide with the 12-day event. Sotheby's is holding a week of sales and seminars Nov. 11-19 featuring works of art from China and Japan, as well as a three-day lecture series at Sotheby's Institute on the "The China Circle - The Export of Chinese Porcelain round the

While the financial problems in the Far East have led to a decline in those areas of Japanese art collected by the Japanese themselves, such as ceramics, porcelain of the late 17th and early 18th century and sword blades, Neil Davey, the senior specialist for Japanese art at Sotheby's, says: "Other areas of Japanese art, such as netsuke and inro, do not seem to have shown much decrease at all. There is strong international interest for these fields in the United States and Europe. It is a good time to buy."

Chinese as well as Japanese ceramics are expected to attract keen interest from international collectors at a sale being held by Phillips on Nov. 18. A five-piece garniture of blue-and-white Chinese export porcelain dated from 1662 to

#### LONDON **AUCTIONS**

Nov. 12: Oriental Ceramics & Works of Art, Christie's, South Kensington. Nov. 16:

Art of the Ming Dynasty, Fine Chinese Ceramics, Jades, Paintings and Works of Art; Asian Export Art for the Country House, Christie's. Nov. 17: Japanese and Chinese Works of Art, Sotheby's.

Nov. 17: A Private Collection of Kakiemon Porcelain; Japanese Art & Design, Christie's.

Nov. 18: Fine Chinese Ceramics and Works of Art; Chinese Export Porcelain and Works of Art, Sotheby's. Nov. 18: Chinese and Japanese Ceramics and Works of

Art, Phillips. Nov. 19: Japanese Works of Art, Sotheby's. Nov. 20:

Far Eastern Ceramics and Works of Art. Bonhams.

1722 is expected to fetch 15,000 to 20,000 pounds (\$24,000) to \$32,000).

Christie's South Kensingtoo's sales include "Satsuma," on the morning of Nov. 24, followed in the afternoon by "Oriental and Islamic Costume and Textiles." Christie's King Street will have an important auction devoted to Chinese works of art from the Ming dynasty on Nov. 16, followed by a sale of Japanese art and design on Nov. 17. Bonhams' sale of Oriental art will take place on Nov. 20,

Ceramics on display
One of the undoubted highlights of the period, however, will
be an exhibition of "100 Masterpieces of Imperial Chinese Ceramics" at the Royal Academy in Piccadilly from Nov. 17 to Dec. 20. Collected during the past 25 years by Au Bak Ling, the founder president of the Hong Kong Educational Publishers Association, most have never been on public

display before. Other important exhibitions are being previewed by the Victoria and Albert Museum (V&A), the Brunei Gallery and the British Museum. Special study days will be offered at the Percival David Foundation of Chinese Art in Gordon Square, which has one of the world's finest collections of ceramics from the Song, Yuan, Ming and Qing periods. A gafa direct, with guest speaker Queen Noor of Jordan, rounds off the 12day event at the V&A on Nov. 20. .

"ASIAN ART" was produced in its entirety by the Advertising Department of the International Herald Tribune. WRITER: Pamela Ann Smith in London. PROCRAM DIRECTOR: Bill Mahder.



17th-century ceder wood alter table from the Christopher Cooke gallery; Chinese eramel plaque at Philips.

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#### PARIS SALESROOMS' GLITTERING PRIZES

Paris is an established center of Asian art, as current auctions and shows testify.

missaines priseurs Picard 7,000 francs. The Kevorkian gallery's Audap Solanet & Associés Jacques Tajan, along with sales on Dec. 10 and 11 will The state were to be their release to

> ivories, inro and tsuba, manuscripts, arms, metalstamps and albums and not- work, furniture, textiles, jewzuke in both ivory and chry and porcelain sculp-

> A multicolored saturna bowl decorated with children - Khorasan is estimated at and flowers, signed "Kyoto 150,000 to 200,000 francs. Yozan," is expected to fetch An Orientalist work by J. up to 12,000 francs (\$2,180). Cruz-Herrera of the Spanish

his autumn three im. A round pair of satsuma school, "Two Sisters Outside portant sales of Asian vases with flowers and geo. Rabat-Sale," is expected to Hotel Drouot in Paris. Com- timated price of 6,000 to 150,000 francs.

features Chinese ceramics Tableaux" on Nov. 18 and 19. Armenia. from the Tang, Song, at Drouot. An array of 19th-Kangxi, Qianlong and Yingcentury glass objets d'art carved reclining lion from and 106 paintings and calzheng periods.

The sale also includes lapfrom Shiraz in Persia are bearound 2500 B.C., carries an handed down from emperor anese ceramics, bronzes, ing offered, along with Perwood sculptures, furniture, . sian ceramics from the 10th . 600,000 francs. paintings, textiles, carpets, to the 14th century,

An important carpet from

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art are to be held at the metrical motifs carries an es- obtain a price of up to featuring Asian art this fall.

Paris is also the site of many museum exhibitions Among these is "Treasures of the National Palace Mu-seum, Taipei - Empire (Piasa) are holding the sale expert Lucien Arcache, will include Asian antiquities as "Art of the Far East" on Nov. be offering "Islamic and Orie well as Islamic art, Orient13 at the Drouot Richelien. It ental Art and Orientalist alist works and a library from made up of more than 250 works (jades, bronzes. An exceptional figure of a ceramics and objets d'art) estimate of 400,000 to to emperor from the 10th to the 18th century.

present their incomunal exhibition 'Asian manners for the Code' (jewellery and votive objects from the Indianised kingdoms of South-East Asia) 10-21 Nov., A South-tast essay average by appointment.
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16th NOVEMBER: Mayfair 17th NOVEMBER: St. James's 18th NOVEMBER: Kensington Church Street area

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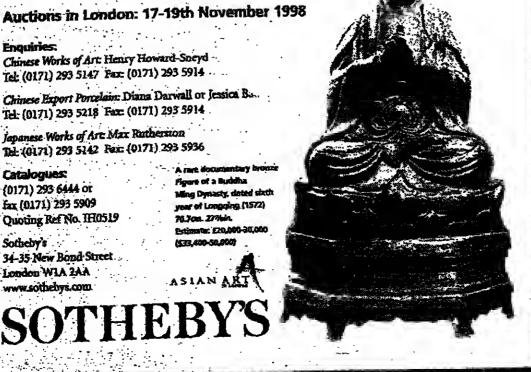
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EW YORK - The mantra for designers showing their spring '99 collections here this week is: utility. John Bartlett creates skirts that can be customized thanks to band-sewn hooks, and Patrick Robinson champions the versatility of such workhorse materials of American style as distressed leather, bandannas and gingham. Even Ralph Lauren, who has always been able to make eloquent arguments for sumptuous - even functionless - luxury, has taken up the

Utility does not so much refer to the clothes themselves, bowever, as to the concept of borrowing shapes and fabrics from the world of sportsmen and laborers. Lauren may be showing the sort of booded poncho that a police officer might wear while walking a beat on a rainy day, but this designer outerwear is silk. Bartlett's wader pants - something akin to what a fisherman might wear while slogging through a stream - are silk. The shape of Michael Kors's anorak may have been inspired by backpackers, but his version is silk taffeta.

In many ways, utility-dressing is simply the latest way to describe clothes that American designers have always created with aplomb. They are uncom-plicated in their design. They do not attract attention by breaking the rules of dressmaking or tailoring. Instead, they are secretly luxurious. They blatantly efuse to spell out the wearer's wealth.

Lauren's collectioo unfolded like a series of vignettes: There was the desert saga, a series of onbby oatmeal-colored weaters and flax linen trousers and skirts; then the military story, with sand-colored flight jackets, silk work pants and ponchos; and then a young-socialite tale with fitted white snits, pink cashmere camisoles, mint green coats and trousers, and ivory organza dresses.

In many ways, it was a presentation that seemed fine-tuned for the eyes of retailers rather than to make a powerful statement of his point of view for spring. This was a collection of pieces — a great blonse here, an interesting pair of tronsers there. How the items worked together was less clear. It also was unclear where Lauren's own passion lay. And no matter how large this public company may be, when the collectioo appears oo a runway, it should immediately return to something personal and intimate. This collection felt like a series of cogs and widgets rather than the per-sonal and passionately created work of the man whose name it bears.

Michael Kors presented a collection that blended the unlikely combinations of bunter green and safety orange, taffeta and canvas, anoraks and sequins. And in the hands of Kors it was an easy, comfortable fit. The collection was inspired by sailing, camping, NASA, barbecues
— all iconic American images. He used olive taffeta for his anoraks, sbort-sleeve shirts and cropped trousers. He paired olive sweaters with bold orange canvas skirts. Zip-front canvas pullovers topped

slim walking shorts.

John Bartlett presented his women's wear collection. And instead of a multilayered thesis describing his inspiration, he offered a simple explanation of his goal: to create clothes "with multiple personalities." Much of his goal involved creating dresses and trousers that could be lengthened or shortened by manipulating a series of hooks. There also are foundation straps that can be used to transform a loose-fitting jacket into a body-hugging oce.
His was a lofty goal, but ultimately this

collection did not succeed. Still, in the process of experimentation, there were some successes. Bartlett's cropped trousers with sheer insets offer a different version of the now-ubiquitous work pants. His pale pink overcoat has giant patch pockets that can be divided into compartments. His swimsuits have pockets for storing a key or cash. A camisole is covered in peacock feather. The garments in this collection often

look their best when they are not trying to do too many things or satisfy too many tastes. And Bartlett is at his best when his clothes boast a singular per-sonality that evokes multiple emotions. Skirt and fitted iacket.



spiral zippers on dress and jacket.



Anna Sui's feathered and beaded top and blanket-stitch, denim hot pants.



#### The Hunt Is On For Runway Genius

By Robin Givhan

Every industry needs Young Turks.
The sports world clamors for swaggering daredevils. Technology thrives on its brash innovators. And the fashion industry built its reputation for glamour and daring on the work of talented young designers hungry to break into

the big time.
This city is desperately in

need of such a star.
The recently announced closing of designer Isaac Mizrahi's business was the first stunning blow. Then came the follow-up punch: Todd Oldham's decision to close his signature line.

The week of shows for spring '99, already anticlimactic thanks to the decision by Donna Karan, Calvin Klein and Helmut Lang to present their collections in mid-September, had an air of desperate searching for that most elusive thing: the next oig breakthrough.

Perhaps it will be Marc Jacobs. He certainly has settled into the role of a focused young designer, undistracted by the allure of film roles and television deals. For spring, he offered full-legged trousers in a silvery blue with back flap pockets and navy ribbons at the hem. His blouses have can sleeves and delicate tucks. Full skirts were edged in narrow ruffles. There were sculptural dresses in white covered in a sheer cage of black tulle. Sweet lilac dresses have short, girlish sleeves. Some dresses and skirts have scalloped hems as if these garments had been plucked from some fairy tale full of smiling flowers and graceful trees.

The collection that Hussein Chalayan presented for Tse New York was a study in balance. Like perfectly construcinterest with delicate creases

Meanwhile, the old guard carries on. Geof-frey Beene once again presented a collection filled with complicated tricks of tailoring and dressmaking and yet draped the body effort-lessly. The collection included jersey dresses in sherbet colors with trompe l'oeil collars and asymmetrical waistlines. Other dresses had slits along the shoulder blades, creating the illusion of butterfly wings. Day suits featured above-the-knee skirts with matching jackets that had intricately cut collars that emphasized that had intricately cut collars that emphasized the delicacy of the collarbone. Beene used hardware to taunt the eye. A midnight dress had an industrial zipper that runs up the side of the frock and swirls across the back of the dress.

Carolina Herrera's collection had an aggressive youthfulness that was almost unnerving. There were flat-front black trousers, pale pink leather shifts, pale gray dresses with languid cowl collars lined in lilac satin. There were fuchsia leather halters, puffy party dresses and fisbtail hemlines.

Oscar De la Renta's collection was an aesthetic tug of war. The clothes were alternately filmy and delicate or stiff and ostentations. For day, there were beautifully embroidered silk skirts and narrow trousers. Jackets had patch pockets tilted back at a sporty angle. And there were evening dresses in lovely pastels and topped with sheer jackets. But there were also billowing coats in candystriped aqua. A black taffeta ball gown had a spiked train that made the model look as if she were dragging a charred dragon behind her.

Watching the presentation by Bill Blass provided a lesson in survival techniques. Blass and his design team have distilled the company's aesthetic down to its essence: so-



jackets hang on the body.

Sculptural dresses are given Marc Jacobs's smocked pokersleeveless silk dress.

interest with delicate creases at surprising angles. Dove gray trousers have T-shaped slits at the knee. Translucent black shells have sheer kangaroo pockets.

Meanwhile, the old guard carries on. Geoffrey Beene once again presented a collection filled with complicated tricks of tailoring and dressmaking and yet draped the body effortlessly. The collection included jersey dresses in sherbet colors with trompe l'oeil collars and asymmetrical waistlines. Other dresses had slits along the shoulder blades, creating the illusion of butterfly wings. Day suits featured

town house. Of course, the decision to cancel the show immediately sparked rumors that the husiness was teetering on the edge of failures The ghost of Isaac Mizrahi Ltd. looms large.

The ghost of Isaac Mizrahi Ltd. looms large. Bot Tyler insists that the private company's sales are strong, particularly in evening wear. For spring, Tyler returned to the soft and sexy clothes that have made him a favorite among Hollywood starlets. For fall, he had ventured into a more aggressive silhonette, with wide-leg trousers and stiffer fabrics. It was a bottom-heavy collection, Tyler says, and "no one wants to wear something that and "no one wants to wear something that makes them look as big as a house." The collection he presented was notable for its white shark's tooth beaded shift, an ornate peasant blouse - created from embroidery beads and peacock feathers - a gray halter adorned with metallic paillettes, hot pants and fitted leather fencing jackets.

Anna Sui's collection was filled with ref-

Anna Sur's collection was filled with reerences to hippie Americana, Technicolor
Morocco, Mexican flower children groupie glamour. But on the runway, surembroidered not pants and holographic rappet
trousers look sharper. For spring, Sur is ear
amored of the billowing dresses of hippies
the cotton lace in traditional Mexican attire the moody colors and patterns of Morocco at used in her printed silk skirts and camisoles.

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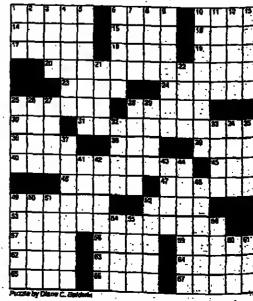
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O New York Times/Edited by Will Shortz.

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#### **Empty Kazakhstan Vote**

One of the candidates in Kazakhstan's presidential elections in January claims to be clairvoyant, but anyone can predict that the winner will be the incumbent, Nursultan Nazarbayev. Mr. Nazarbayev is a thinly disguised dictator who stages elections he has no chance of losing. Few Western leaders complain, because he is seen as the guarantor of stability in an oil-rich

Mr. Nazarbayev was initially one of the more democratic of the Central Asian rulers, but since 1995 he bas steadily expanded his powers. A compliant Parliament recently passed con-stitutional amendments extending the presidential term from five years to seven and lifting term limits.

Mr. Nazarbayev has been jailing political opponents on libel charges and last week kicked his leading opponent, former Prime Minister Akezhan Kazhegeldin, off the ballot on a technicality. Mr. Nazarbayev has also been shutting down the country's few independent newspapers. Television is controlled by his daughter.

American officials raise such issues with Mr. Nazarbayev when they visit, and call democratic development an important U.S. goal in the region. But

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oil takes precedence, as Kazakhstan's proven oil reserves alone come to 10 billion barrels. Mr. Nazarbayev controls these contracts and provides stahility in a region where fundamentalist Islam is growing. He has been received warmly by President Bill Clinton.

Kazakhstan's democratization is not priority for Washington, and Mr. lazarbayev knows it.

This is not only wrong, but also shortsighted. The absence of accountability in Kazakhstan has allowed corruption to thrive. It is beginning to interfere with foreign investment, as officials have arbitrarily revoked or renegotiated contracts. Corruption is also helping to wreck the economy. Powerful businessmen have blocked needed economic reforms, such as bankruptcy laws. Kazakhstan cannot

pay wages or pensions on time. No one expects Central Asia to become a haven of democracy overnight. but the region has built virtually no democratic political institutions under its current feaders. Mr. Nazarbayev's speeches promise fair elections and a free press. The West should hold him to this, starting with the restoration of Mr. Kazhegeldin's right to challenge him. -THE NEW YORK TIMES.

tative Bob Livingston of Louisiana, announced Friday that he would lead a coup against the speaker of the House. But Mr. Livingston was only operating from the Gingrich playbook. Exactly 20 years ago Mr. Gingrich told a group of college Republicans that their party suffered because they had been encouraged "to be neat, obedient, and loyal and faithful and all those Boy

> "You're fighting a war," be de-clared. "It is a war for power." As soon as he stepped down Friday, all the Republicans who were stabbing Mr. Gingrich in the back in the name of that war suddenly discovered his virtues. Without Mr. Gingrich, they said,

> Scout words which can be great around

the campfire but are lousy in politics."

a shock, but it was not surprising in light of Mr. Gingrich's own history.

always understood power - its ac-

quisition and the way it can be easily lost. He always was ready to seek

power and to push people out of his way

if need be. So he may have been burt

when his one-time friend, Represen-

Whatever his failings, Mr. Gingrich

over the House. Yes, indeed, he was a visionary. The nostalgia had begun.

My hunch is that Mr. Gingrich knew

that this would happen. The best way of leaving himself a political opening for the future was to get out of the way of the long knives and see how those he had characterized as "cannibals" and members of the "perfectionist caucus" would fare without him.

There are multiple ironies in Mr. Gingrich's fall, and that he and not President Bill Clinton is the first victim of the Monica Lewinsky scandal is only the most obvious. Mr. Gingrich's reputation was that of an ideologue. But he was always a pragmatist who saw the political uses of ideology. That created his core problem in leading the House.

When he was seeking power, Mr. Gingrich championed the frustrations of his party's fervent conservatives. He opposed his own party's president, George Bush, when Mr. Bush acquiesced to Democratic demands for tax increases in 1990. Conservative ideo-

After Mr. Clinton routed the Repubicans in the government shutdown of 1995, Mr. Gingrich became more pragmatic in his dealings with the White House, and his base within the Republican Party shifted from the ideo-

logues to the moderates.

Mr. Gingrich was thus left with the worst of all possible worlds: Democrats could use him as a symbol of the Republican far right with the public, but the right within his party caucus no longer trusted him.

Mr. Gingrich showed he was willing to learn new lessons: He touted the Bush brothers, George and Jeb, as pointing the way toward a new Republicanism that might achieve the tax cuts so many Republicans want, but in a way that took government seriously and unified rather than divided a potential majority. But by then, it was too

late for yet another strategic move.

Many of Mr. Gingrich's Republican critics say, rightly, that the congressional leadership bet too much on the Clinton scandal. As a result, they had

Gingrich, a Pragmatic Ideologue, Knew When to Go.

WASHINGTON — The speed With which Newt Gingrich decided to lay down his political life was a shock, but it was not surprising in light of Mr. Ginerich's complete the surprising in light of Mr. Ginerich's comple Clinton. They are now criticizing the party, and Mr. Gingrich, for pursuing

the very course they set.
The ouster of Mr. Gingrich will han Republicans if it allows them to pre-tend that they do not have to address their core problem. Republicans misread the meaning of their 1994 victory. The public does not fully trust government, but does not hate it either.

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Voters want government to solve. problems in education, the environment, child care and health care. Republicans did not lose last Tuesday because they presented their message poorly the message does not work. Republican governors seem to know this. Will the

new leaders in Congress face up to it?... Mr. Gingrich had his great strategic moment in 1994, seeing things that others did not. You wonder if his successors will have that much to brag about. A Newt Gingrich plotting a Churchill-style comeback is no doubt asking the same question.

The Washington Post.

#### The CIA's Secrecy Habit

#### No single case tells more about how the CIA is dealing with its old Cold War hahits than that of Jose Maria Reyes Mata. He was the Communist guerrilla killed when he was leading comrades back to his native Honduras in 1983 from Nicaragua, then leftistruled. The core question is whether the CIA, which is alleged to have trained and supported the military intelligence unit that did him in, is going to disclose all relevant information about this affair, which is at the center of Honduras's brave attempt to confront past

uses and ahuses of secret power. For some years, the Honduran hu-man rights commissioner, Leo Valladares, has been investigating about 180 "disappearances," some of them presumably brought about by the U.S.backed Honduran security forces. Mr. Reyes Mata became the leading case because of the commissioner's pursuit of his paper trail in the CIA.

The trail recently came to a strange place. A heavily censored inspectorgeneral's report on CIA operations in

Honduras said that the guerrilla leader indeed bad been captured and executed. But it held back the killer's identity, or rather, it held back his name but tacitly offered clues to the Honduran civilian authorities to use in bunting him down. The idea is to preserve the agency's traditional position on protecting agents and sources but at the same time

facilitating the human rights inquiry. A neat trick if you can do it. But it looks more like a compromise that shows the CIA still has a way to go to break its habit of secrecy above all. Disclosure of the identities of old agents may perhaps hinder recruitment of new ones. But disclosure — 15 years later, to a struggling democratic gov-ernment — serves the purpose of rebuilding a society, as disclosure leg-islation — narrowly defeated in the Senate in September — contended.

In this age of pervasive terrorism. moreover, it is hard to argue that any agent should be recruited on a word or a wink and be given the license to kill.

#### By Robert M. Morgenthau

NEW YORK—What are the five largest financial centers in the world? Many will name New York, London, Tokyo and Hong Kong. But how many will guess the fifth? It is the Cayman Islands — or so, at least, its government claims on its Web site.

It is certainly the case that buge companies — including hedge funds like Long-Term Capital Management — have made the Caymans their nominal borne. And bank regulators in the United States have confirmed that bank deposits on the islands now total about \$500 billion, twice the amount of four years ago and more than the amount on deposit in the New York Federal Reserve District. That is about \$14 million for every man, woman and child in the Caymans.

The financial community there consists of 575 banks and trust companies. More than corporations chartered on the Caymans.

getting heavier every day.

are

talists to so unlikely a spot? Secrecy, for one thing. In the United States, capital markets are regulated by requiring trans-parency in financial dealings. The Caymans, by contrast, have no such openness, no tiresome restrictions on the pursuit of wealth. With respect to regulation, the Caymans have won

the race to the bottom. Take, for example, Long-Term Capital Management, which had to be bailed ont this year. The fund's basic opera-tions are conducted in Connecticut, but it is chartered in the Cayman Islands,

The fund kept the details of its borrowings and investments secret - a result not obtainable where there must be concerns for the curiosity of regulators.

The results were disastrous. No one knew the absurd extent to which Long-Term Capital's confident superstars were leverwhat draws so many capiwhat draws so many capiaging their assets — until the bubble burst.

The Caymans' financial secrecy laws make it easy to hide suspect dealings. It is now well known that the Bank of Credit and Commerce International, whose collapse in 1991 was the biggest banking scandal in history, took advantage of those laws. Beyond the assistance they lend to criminals, secrecy laws aid reckless acts

Offshore Havens Undercut the Honest Market Players

by high-rolling entrepreneurs. But in fact, most of the "off-shore" Cayman banks are run not from the islands, but from New York. Amazingly, the Cayman government Web site itself boasts that, of the 575 banks and trust companies "based" in the islands, a full 106 actually have a physical

presence there! Resort to these institutions is a simple charade. What would happen if a determined U.S. bank inspector flew to the islands and demanded to see the books of one of these institutions? He

nation for the remarkable blossoming of financial institutions in the Cayman Islands. The islands have no income tax, no capital gains tax, no value added tax, no sales tax, oo inheritance tax and no tax treaties. Sophisticated Americans place billions in Cayman investment vehicles such as Long-Term Capital that are carefully structured to reduce tax liability, Citizens of other countries invest

Commendably, the Treasury Department recently resolved to study ways to keep sham transactions from having an impact on tax liabilities, and the Group of Seven industrialized nations has said that hedgefunds should "possibly" subject to disclosure rules.

billions there so their incomes

will be exempt from American

But those are only tentative

More can be done. The Cayman Islands are a British de-

There is yet another explaare appointed by the Britis government. This means Brid tain can end the laissez-fai practices of the islands. A since, from a financial perspe tive, the islands are an American dependency. Washington can also stop the offshore shenanigans — for instance, by imposing more prudent over-sight of lenders doing business with Cayman entities.

The Caymans are only part of the problem. The Isle of Jersey, the British Virgin Islands, Cyprus, Antigua, Liechten-stein, Panama, the Netherlands Antilles, the Bahamas, Luxenbourg and, of course, Switzer land all offer "offshore" sanctuary. Until action is taken to eliminate these havens, taxpayers and honest players in the financial markets will be at a very unfair disadvantage.

torney of the County of New York. He contributed this comwould be arrested. It is the law. pendency, and both the gov- ment to The New York Times.

#### Act 2 for Republicans

seek re-election as speaker brings an extraordinary career in the House of Representatives full circle. He came to prominence as the leader of a snccessful fight to oust another speaker, Jim Wright, a Democrat, on ethics charges. He subsequently shouldered aside or helped hasten the exit of Bob Michel, a middle-of-the-roader, as Republican leader, led his party to its stunning victory and continuing con-trol of the House in 1994, and himself became the object of a serious ethics inquiry that led to his formal reprimand

The adept insurgent never seemed fully comfortable with the grind of governance. As speaker, he talked too much; in the course of the talking he went off on too many tangents and was regularly outmaneuvered by President

by the House in 1996.

But the Republicans make a buge mistake if they ascribe to Mr. Gingrich all or even the preponderance of their recent troubles. Plainly he, and the rest of the Republican leadership of both houses, made mistakes in positioning the party for the last campaign. But the difficulties the Republicans face have to do with more than faulty tactics. They go to doctrine, to the philosophy that animates the conservative wing of the party particularly. It is, in many ways, mythic; it does not match reality, yet it is fiercely clung to. The insistence upon it makes it all but impossible for

the party to govern.
The Republicans, including Mr. Gingrich, want to give large tax cuts, but not, of course, at the expense of responsible fiscal policy. So they have to find spending cuts to match, which they suggest can easily be done, given their view of government as vastly overgrown. But it turns out not to be that easy. The Republicans themselves flinched from naming sufficient spending cuts this year and forced their Budget Committee chairman, John Kasich, to withdraw — as too inflam-

that he had prepared. They ended up trying to pass a tax cut without financing it; the Senate rightly refused to go along, and for the first time in 24 years the process of writing a congressional

budget resolution broke down. Mr. Gingrich's critics likewise abbor what they have convinced themselves is excessive federal regulation, hut they do not want to be accused of having abandoned the goals the reg-ulations support — clean air, clean water, reduced tobacco consumption, campaign-finance reform, managedcare reform, you name it. The critics denounce the leadership in part for a paltry legislative record that their own reluctance to legislate, in some cases, helped to form.

The believers denounce the intrusiveness of the federal government in people's lives, but not all such intrusiveness. They are willing to attach abortion bans even to legislation to pay the back dues that Washington owes the United Nations. The leadership has to struggle to extract enough money to preserve U.S. voting rights in the UN.

This is a party with strong beliefs about what government should not do. Its views of what government should do are less well developed. It is not comfortable with the mildly redistributionist tendencies of many federal programs. It aspires to control of the government in order to reduce its influence, size and cost.

Maybe once a generation that is a worthy platform on which to run. But as a permanent platform it is destructive of the institution it seeks to reform. If in fact the Republicans suffer from a failure of leadership, it is a failure to underscore this point across the entire span of party membership and to develop a second act. Mr. Gingrich's greatest problem may have been that so many of his followers continue to believe in the slogans that he and they rode to office.

Herald Eribune

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-THE WASHINGTON POST.

#### By Curt Gasteyger

ZENEVA — Kosovo bas Gevery chance of becoming the next on the list of countries devastated by war with a society in desperate need of recal bureaucracies and resentful construction. With already 400 villages destroyed, thousands of people killed and hundred of thousands fleeing their bome

and their country, the task of reestablishing some normalcy is And yet, once the arms have fallen silent, the international community will be faced with the same three questions it has all too often failed to answer before: How to heal the wounds of conflict; how to keep peace; how to rebuild a viable society?

Previous experiences in coping with these three fundamental tasks is hardly encouraging. All too often there were too many belpers and advisers, frequently self-appointed if not self-serving; too little coordi- ceed if seen and treated as a nation among them, and inad- common enterprise of all societies, the international com-

equate experience in dealing parties concerned.

with seemingly ungrateful recipients of aid, incompetent lo-

cope with the unending stream of visitors, all of them wishing to meet with at least one of the new rulers; they were over-wbelined by the multitude of organizations with often conflicting missions and resentful of the innumerable "experts" who seemed to lack understanding for the needs and frustrations of deeply fractured com-

Neither side in these bectic days of early peacemaking seemed willing or patient enough to recognize that this difficult process can only suc-

The process itself consists of three closely interlinked phases: These three groups in turn ciliation. They form a whole.

None will do on its comfirst, pacification, then, recon-However logical such a trip-

tych may seem in theory, it is not in practice. An experimental international project involving four war-torn societies -- Eritrea, Mozambique, Guatemala and Somalia — calls for profound reforms in the ways international aid is given and co-operation with the indigenous population organized. Jointly uitiated by the United Nations Research Institute for Social Studies, in Geneva, the War-Torn Societies Project describes methods used so far as

widely inadequate. When faced with war-torn

After the War, How to Keep Peace and Rebuild Society? munity turned out to be, in the parties reconciled, in the four 'ill-prepared, ill-equipped, inflexible and frequently operat-

> civil war. Cambodia, Angola. and the Great Lakes region in

Africa testify to this. As a consequence, the project calls for a double strategy: First, an increased political commitment and willingness to take greater risks on part of the outside world, helped along by closer cooperation between the UN agencies and nongovernmental organizations; and, second, and more importantly, by a more systematic encouragement of the local people to

themselves. Having lived through the or-deal of war and conflict, they are best placed to know the priorities of action, the need of involving all parties into the common endeavor of reconstruction and of the promotion of a sense of joint responsibility for what will be their common

take on greater responsibilities

All this sounds logical and evident. Experience, however, tells a different story. Several billions of dollars and thousands of international helpers later, we cannot be sure whether many of the failed states, in-

words of the project leaders, countries under study, the War-Torn Societies Project has at least demonstrated that there ing at odds with each other." are better and cheaper ways to.

A harsh judgment indeed. It attain both: Eritrea, Mozambiare better and cheaper ways to. is unfortunately borne out by que and Guatemaia have gone a many setbacks, if not outright long and encouraging way to-failures when it came to pacify ward normalcy; in Somalist and rebuild states afflicted by there is progress in the North east, but much remains to be. done in the South.

Although external assistance was essential in all cases, the prime impens came, and still, comes, from within the come tries themselves. At the same time their experience has led their project to issue a list of actions that other war-torn countries as well as the international come munity should take once hos-! tilities have ended.

These actions can be summarized in five principles: profound understanding of local, situations and qualified field. personnel; flexibility and adapt -: ability of external assistance, new criteria for measuring success; effectiveness and efficiency of external assistance, and, above all, participation of

local population.
The test as to whether we determine the state of the learn from past experience, now come in Kosovo. In the light of what the War-Torn Propo ect tells us, there would he little excuse for failing there again.

The writer, professor emeritus. at the Graduate Institute of International Studies in Geneva. cluding possibly Bosnia, are contributed this comment to the lastingly pacified and their rival International Herald Tribune.

#### U.S. Trips on Nuclear-Arms Limits By K. Subrahmanyan

#### PITTSBURGH — When the Nuclear Non-proliferation Treaty was unconditionally and indefinitely extended in 1995, only four nations stayed out — Israel, India, Pakistan and Cnba. The international community, and were undeclared nuclear

weapon powers.
A declassified briefing was given to all U.S. diplomats on the secretary of state's decision to resume normal Ex-Im Bank financing for U.S. exports to China. Dated Nov. 21, 1997, the briefing stated, in part: "We have continuing concerns with respect to Pakistan's unsafeguarded facilities, weapons development and production of unsafeguarded special nuclear materials. We have made our concerns known to the

Chinese government." Subsequently, the United States accepted China's explanation that the transfer of 5,000 ring magnets to Pakistan's unsafeguarded uranium enrichment facilities at Kahuta had taken place without the knowledge of China's central government. On that basis, the secretary of state concluded that there was insufficient evidence to determine that China had willfully indulged in sanc-

tionable activity, At a meeting between Sec- advanced nuclear-capable in- Post.

retary of State Warren Christopher and the Chinese foreign minister, Qian Qichen, on April 19, 1997, China committed itself not to provide asparticularly the United States, sistance to unsafeguarded fa-was aware that the first three cilities. But on Feb. 4, 1998, in testimony before Congress, Robert Einhorn, a nonprolif-eration aide, said that China continued to transfer missile technology and components to Pakistan, though not missiles. The administration has yet to make a finding on M-11 missile transfers from China to Pakistan that took place in 1993; the transfer was admit-

ted by the interim Pakistani prime minister, Moeen Qureshi, on Aug. 26, 1993. These developments tend to demonstrate a pattern of U.S. inability and unwillingness to deal with the China-Pakistan proliferation for fear of jeopardizing U.S.-China trade ries through mandatory invoca-

tion of sanctions. Earlier, the Chinese transfer of CSS-2 missiles of

2,500-kilometer range to Sandi Arabia was also not vigorously pursued. Future proliferations are unlikely to occur unless there is

dustrial countries, as happened with Iraq and Pakistan.

While the United States has been very flexible in its approach to proliferation issues. as seen by its reactions to Israel, Pakistan and China, it has painted itself into a corner by extending the treaty indefinitely and unconditionally. A new global nuclear approach is needed, which will take into

account the existing realities.
The international Pugwash
Conference last month anggested a nondiscriminatory set of measures for all eight states that have nuclear weapons.

They include signing the test ban treaty, participation in the forthcoming fissile materials cutoff treaty, enforcecompliance on safeguards and dedication to negotiating nuclear disarmament.

In addition, they have advocated nuclear risk reduction measures in regard to weapons and moves toward an international treaty on nofirst-use on the model of the Geneva Protocol of 1925 for chemical weapons.

This would be an effective nonproliferation program.

The writer, a consulting editor to the Times of India and active help and support for an analyst of strategic and nuproliferation activity from nu- clear affairs, contributed this clear weapon powers and other comment to The Washington

#### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1898: Felonious Cure

LONDON — The result of the inquest on the body of Mr. Harold Frederic, terminating, as it did, with a verdict of manslaughter against Mrs. Mills and Miss Kate Lyon, created a sen-sation. Kate Lyon, and Athelie Mills, described as a Christian Scientist, are both being charged with feloniously killing and slaying Harold Frederic by neglecting to supply him with proper treatment and medical attendance. It was difficult to realize in the enlightened days of the nineteenth century that sensible and intelligent people would lend themselves to such an absurd course of procedure.

#### 1923: Dry Beer

NEW YORK - Starting a country-wide campaign to shut up the breweries, Federal pro-

scized twenty-six breweries in this city and near-by district. All; the beer in the plants was! seized. The action taken further emphasises that the Federal government, stirred to action by Mr. Henry Ford, is determined, to make the country bone dry, and with apparently better prospects oow than ever before.

#### 1948: Palestine Truce PARIS - Dr. Raiph J. Bunche.

United Nations acting Palestine mediator, asked the Security Council yesterday [Nov.9] to begin efforts to translate the Palestine truce into an armistice looking toward permanent peace. His suggestions, presented in the form of a draft resolution to the control of a draft resolution. olution, asked the Council to call upon the Jews and the Arabs to do the following things: To undertake through the good offices of Dr. Bunche hibition enforcement officers to settle all outstanding prob-

15 S

17 N

18 F

20 F

21 P

OPINION/LETTERS

lefferson: I hold it that a little

. now and then is a good thing.

Starr: I'll take that as an

violating ordinary human de-cency and probably the statutes

against sexual harassment -

hostile work environment, that

sort of thing. How could you

do such a thing?

Jefferson: The pursuit of hap-

Jefferson (biting his lip):

Whenever a man casts a longing

eye on them, a rottenness begins

Starr: So why have you seen fit to deny and obfuscate and cost the

taxpayers all this money and the

Jefferson: He who permits himself to tell a lie once finds

it much easier to do it a second

and third time, till at length it becomes habitual; he tells

lies without attending to it, and

truths without the world's believ-

ing him. This falsehood of the

tongue leads to that of the heart

and in time depraves all of its

Starr: I appreciate the fact

that you are - at last - forth-

coming. I hope you don't think

this inquiry is an unwarranted

intrusion into your privacy by

sumes a public trust, he should

consider himself as public

Jefferson: Wheo a man as-

Jefferson: Were it left to me

to decide whether we should

have a government without news-

papers, or newspapers without

a government (he crosses his

fingers behind his back), I should

not hesitate a moment to prefer

the independent counsel ...

Starr: ... or the press.

good dispositions.

property.

electorate so much agony?

whom you had affairs?

in his soul.

#### INTERNATIONAL HERALD TRIBUNE, TUESDAY, NOVEMBER 10, 1998

#### Then to ( Republicans Should Heed Manager Lace Americal Confession of the second The Call for Fresh Faces

By William Safire

WASHINGTON — In the — rather than turn to a co paign, the Democratic ticket was lames Cox and young Franklin supercaution. Take a quick look at Roosevelt. The Latinesque call to the challenger who so quickly folvox populi, the voice of the ded: Mr. Cox was a White House

you got the vox. That Mr. Cox did not make it. Neither did the new one Representative Christopher Cox of mittee investigating the Asia con-Southern California, who for one nection to fund raising and esbrief shining moment was the dark hasse candidate to succeed Newt Mr. Gingrich is a figure I vainly urged to step down ever since his cockamamie book deal. He belatedly got the voters' message and did the right thing, liberals and

Big Labor will miss their favorite

punching bag the way hard-line hawks miss Leonid Brezhnev. That was revealed in the Democratic leader Dick Gephardt's late hit about "the damage that was wrought on this institution" by the man whose job he wanted. It was left to the Atone Ranger in the White House to graciously bid farewell to a "worthy adversary."

Almost certain to be the new voice of House Republican people is Bob Livingston, who had the moxie and foresight to

fost challenge the speaker. he current Appropriations Committee baron is not the stiff he seems to be on television. At a recent charity roast, he whipped out a harmonica and stunned the crowd with a rendition of "Oh Susannah." If a solid, dependable, insider were the new face the Republican leadership needed, Mr. Livingston would be a natural.

What he will need to prove, however, is that he is not merely "not Newt." In the apportioning of power, he will also have to be sensitive to geographical balance: The notion of a man from Louisiana joining Trent Lott of Mississippi in the congressional leadership places too much faith-in the Land of Lotteries, Casinos, Riverboat Gambling and High

Moral Dudgeon. gressional Delta Force is wrap- of old faces is not enough. ping up the speakership.

House chairmen successfully caned on members to "re-up" to freshen old commitments to the Mr. Livingston they know

- rather than turn to a comer

That exhibited characteristic people, was in this doggered:

Cox and Roosevelt Roosevelt

California, the biggest state, now and Cox; You tell 'em, populi / a wholly owned subsidiary of the Clinton White House and desperate for Republican hope.
Chosen to head the Select Com-

> pionage, he impressed even endangered Democrats with a low-key, fair-minded approach.
>
> Mr. Cox is the sort of personality the Republican Party requires as one of its spokesmen in the long year before the presidential can-didate takes over reasonable, intellectually able to marshal arguments on tax reduction. What did he get in return for not making a fight for the speakership? His Re-publican Policy Committee will probably get a larger staff. That is not much, but when national se-curity becomes an issue, he will

have a stronger voice in the up-coming missile defense debate. Mr. Livingston, the putative speaker, is not someone Democrats will be able to demonize or roll, as they did Mr. Giogrich. He is probably better positioned than anyone to wheel and deal with Democrats. Will he be a memorable speaker, effective in achieving conservative legislation with the Senate, thereby ping presidential candidates in 2000 keep the House in Republican hands? Hope for surprises,

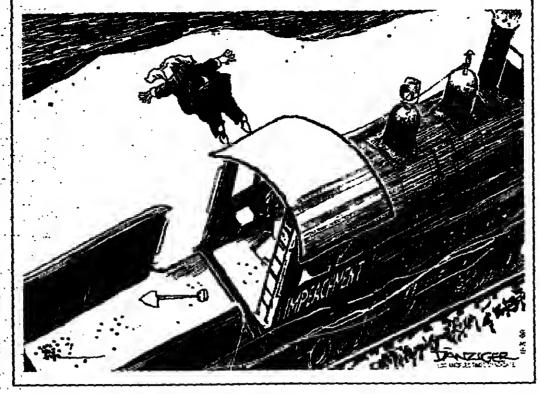
but don't expect miracles.

Below the speakership, the election of leaders next week should offer Republicans a chance to make a new start. Why isn't Jennifer Dunn, the Washington representative, more ambitious?
Why not elect the telegenic and principled Oklahoma representatives J.C. Watts and Steve Largent

to leadership positions?
The infusion of new energy near the top will be Speaker-apparent Livingston's first major test. This week, Republican voters should tell him, through their represen-But as this is written, that Con-

If you want new hands at the helm with constructive, conservative ideas, then tell 'em, populi.

You got the vox.



#### LETTERS TO THE EDITOR

Getting the Message

It is disingenuous of the Republicans to claim that they did not have any message or were unable to communicate it to the American electorate. The fact is that the Republican message was clear, and it was loudly communicated. More importantly, it was also soundly rejected across the United States at

both the local and state levels. The Republican Party message is out of sync with a vast majority of the voting and nonvoting public. Poll after poll says, "Run the affairs of the nation, stop running investigations." The people have spoken likewise in the most important poll of all, the ballot box. STEVEN HOWARD.

William Safire ("What the Right Should Learn From the Election, Opinion, Nov. 7) is mistaken if he thinks the election results actually mean that women were "condon-

ing Mr. Clinton's conduct."

JANE GREY.

Regarding "Tag-Team Win-ners: Pro Wrestler and Compaign Finance Law" (Nov. 6): The reformist campaign finance laws of Minnesota that helped elect

professional wrestler, former action-movie actor and former radio shock jock, as governor should be-

come the law of the land. These laws are the best means by which American voters can bypass the Republican and Democratic wings of a one-party system and elect leaders such as Mr. Ventura. HARRY S. SCHNEIDER. Neass, Germany.

#### A Prophetic Anwar

In 1987, when Anwar Ibrahim was education minister of Malaysia, he came to speak to my colleagues and me at an extension campus of an American university

near Knala Lumpur. "We've been having some complaints from students," he said, "but we didn't want to make a big deal about them. We prefer to expose them to different view-

points, to open their minds." Then he became very serious and pointed, and his manner was clearly protective. He spoke slowly, gesturing with his index

finger to drive the point home: "But be very careful." I felt as if he were talking directly to me, because in my English debate classes I had been openly critical of Prime Minister Mahathir bin Mohamad and had

were all Malays - to analyze his policies and statements from multiple perspectives, and not to believe everything the local, state-

controlled media disseminated. My initial 15-month contract with the university was not renewed, although I am not sure it was because of my outspoken debate classes. But I am sure of one thing: Mr. Anwar's warning was both prophetic and, in hindsight, ironic.

SCOTT SOUTH. Dubai, United Arab Emirates.

On Overpopulation

Regarding "Why Thousands Die" (Editorial, Nov. 5): Poverty is not the cause of the environmental degradation leading to all those deaths from the hurricane designated Mitch. Those people did not denude the hillsides, clutter the flood plains and encroach on the volcanoes because of poverty. They did so

because there was not enough good land to go around. If, as the editorial suggests, these countries try to develop their way out of the problem, while ignoring unbridled population growth, the Mitch catastrophe will be small

sruff compared to what is coming. HERMAN ARCHER.

#### Giving Thomas Jefferson The Starr Treatment

By William Raspberry

WASHINGTON — After centuries, Thomas lefferson's secret is ont. DNA tests appear to prove admission that you knowingly what until now had been disand repeatedly had illicit sexual what until now had been dismissed as slanderous gossip: relations with your slaves, thereby that Jefferson had at least one illegitimate child by one of

his slaves, Sally Hemings.

If Kenneth Starr had been around to interrogate the great man on this indiscretion, the session might have gone something like this:

Starr: Let's get this clear from

#### Starr: Was Sally the only one, or were there other slaves with the outset. I have a job to do. It has

MEANWHILE nothing to do with the fact that

you and I are not members of the same party... Jefferson: We are all Republicans — we are all federalists.

Starr: O.K. I understand that, although you have railed against slavery, you own slaves.

Jefferson: All men are created equal: they are endowed by

Starr: Never mind the speech. Do you own slaves? Do you know whether or not you own slaves? Perhaps I could refresh your memory with these bills of sale. Jefferson: Ignorance is prefer-

able to error. Starr: I'll take that as a "yes." Now isn't it a fact that you own a particular slave whose name is Sally Hemings? And isn't it a fact that you have had a long-standing

sexual affair with her? Jefferson: When, in the course of human events, it becomes nec-

answer the question! Just tell us

Starr: For heaven's sake, man, the truth. Jefferson: We are not afraid to follow truth wherever it may lead. Starr, Let's just cut to the chase. bave here testimony from -you'll pardon the expression - an unimpeachable source that says your DNA matches the DNA of one of this Hemings woman's descendants. And before you answer, I'll stipulate that Hemings is the illegitimate half sister of your late wife, Martha, But the fact is, you

don't change DNA by marriage. This male descendant has your

DNA. I think any court will accept

that as proof of your dalliance. I ask you again: Did you have a sexual relationship with that woman?

Starr. Well, I'm going to leave it to the House Judiciary Com-minee to determine whether your, shall we say, fornication constitutes an impeachable offense. For now, sir, I just want to say we appreciate the fact that you seem

tried to get you to come clean.

lefferson: This is the fourth?

The Washington Post.

to be facing up to your situation unlike the other three times we

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By Cathleen Schine. 210 pages. \$24. Houghton Mifflin. Reviewed by

Christopher Lehmann-Haupt

THE EVOLUTION OF JANE

TAVE you ever lost a friend? " Jane
Barlow Schwartz, the namator, asks
at the opening of Cathleen Schine's witty
new novel, "The Evolution of Jane."
Jane has lost a friend, Martha Barlow,
her distant cousin. "She had been my
best friend for almost a decade, for more
lifern balf of childhood." Jane explains

Man half of childhood." Jane explains, and then she evaporated, as though she had never really existed at all. Did anyone call me, try to console me, try to find a new friend for me? Yet when my husband left me after six months, I was bathed in sympathy and inappropriate blind dates."

When her busband left her, Jane's mother became convinced that she nceded to "go abroad to heal."
"Off you go! my mother used to
say when she pushed me out the door to play, to stop me from moping around the

"'Off you go!' she said after my divorce. 'Off to the Galapagos!'" Why the Galapagos? In her child-hood, Isne had been infamated with Date in Like the protagonists of Scienc's previous novels ("Alice in Bed," "To the Birdhouse," "Rameau's Niece" and "The Love Letter"), Jane is fascinated with order, and what she had

The New York Times **BOOKS** 

labeled in an old-fashioned hand."

She had always wanted to visit the Galanagos, the famous site of Darwin's studies of the origin of species. So she happily accepts her mother's offer of a trip there as her 25th-birthday present. And when she arrives, who turns out to be ber tour guide? None other than Martha Barlow, her long-lost childhood friend.

particularly liked about an illustrated account of the voyage of the Beagle were "pictures of the cabinets used to

store specimens, pictures of rows of little bottles and jars and wooden boxes, each

In what follows, Jane worries increasingly about why Martha "had thrown me over, dumped, disched, cut, coldshouldered, discarded, shelved, jet-tisoned and retired me," which she has never understood. On the tour, Martha is friendly to Jane and highly instructive on the Galapagos flora and fauna, par-ticularly as they pertain to Darwin's theories of natural selection. But happy as she is to become reacquainted with Jane, she clearly is not interested in

exploring their personal past.

This forces lane to remember the details of their friendship and to ex-amine them for possible offenses she might have given. In their families' history, some sort of mysterious feud had broken out, pos-

sibly over the sale of part of the family business. This may explain why Jane's and Martha's parents, although summer next-door neighbors, were politely cool to one another. But the girls had over-

Jesse (The Body) Ventura, former encouraged my students - who

come whatever stood between the fam-

ilies and become virtual twins. Until

somehow, somewhere, Jane did some-

In the Galapagos, Jane feels com-

thing to drive Martha away.

pelled to understand how the friendship came to an end, just as in her passion for order she has to understand how a unique organism comes into being and what exactly defines a species.

Schine very nearly pulls off a tour de force in which friendship comes to stand

force in which irrendship comes to stand for the possibility of transcending nat-ural selection. The characters, espe-cially as bright, strong-willed children, are charming in the way we have come to expect of Schine's writing. But a degree of strain becomes evident when events are made to illustrate

the novel's ideas. Certain incidents seem awkwardly forced. That Jane thinks so little about her former husband that she mentions him only three or four times in passing is hard to believe. And despite all the theorizing about the name of Jane's and Martha's friendship, one finds it difficult to accept that Jane can never bring herself to sit down with Martha and ask her: "So what happened to us? Why did you stop re-turning my calls?" Consistently amusing and provocat-ive, "The Evolution of Jane" remains a

great pleasure to read. But it works better intellectually than in the gur, where the best fiction has to make its New York Times Service

On 31. Ne5, Schwartzman should

#### CHESS

By Robert Byrne

THERE are players who are good at handling complexity and stomy burnggles to win but do not show the same skill when playing for a draw. In the game between the grandmasters Gregory Kaidanov of Pinsburgh and Gabriel Schwartzman of Gainesville, Florida, in the United States Invitational Championship in Chandler, Arizona, Black followed a course often used to draw, but it seems his heart wasn't in it and White woo handily.

The exchange, 4...de 5 Ne4, introduces the Rubinstein Variation of the French Defense, whereby Black relinquishes his main central strongpoint for the sake of bringing about leveling piece trades.



The advance with 8 h4 cannot do White any harm. For one thing, Kaidan-ov is surely thinking of castling on the s side, and for another 8 ... Bg5?! would be a serious error in opening the h

file for a white rook after 9 hg.

With 12...cd, Schwartzman knocked out the white center pawn, but still, after 13 Rd4, Kaidanov had a lead in development and controlled a preponderance of terrain with his pieces. On 13 Rd4, Schwartzman erred with

13\_e5?! He lacked the power to support such an advance, and the result following 14 Rd2 a6 15 Rel Re8 was that his forces were pinned down to the defense of the errant e5 pawn. Instread, he might have tried 13...a6 with the plan of communing with 14...b5, 15...Nc5 and 16...Bh7.

In playing 16...Nc5 17 Qe3 Na4 18 Ne5 Be6, Schwartzman sacrificed a pawn to finish his mobilization and perhaps to get some sort of attack on the enemy king. But after 19 Rd6! Rad8 20 Rd8 Rd8 21 Be6 Qe6 22 Qb3, all he had earned was a lost pawn-down ending. Schwartzman could have contained

his loss with 22. Qb3 23 ab Nc5 or with 22. Nc5 23 Qc6 Ne6, but he wanted to fight actively and played 22. Rd5, an introduction to complications.

The cold-blooded Kaidanov ripped off a second pawn with 23 Qb7, ready to answer 23. Rb5? with 24 Qa8 Kb7 25 Qe4. He also stopped 23 Re5? by the

have played 31...Na4 (32 Qe4?! g6 33 Qd5? loses to 33...Nc3) and hoped for some good luck, instead, he calculated

incorrectly in playing 31...Qh4?

If Schwartzman was hluffing,
Kaidanov called him on it with the precise and devastating 32 c4!, which
avoided 32 bc? Qb4, winning outright for Black, put two black pieces en prise and, most importantly, opened a flight square at c2 for the white king. After 32... Na4 33 cd Qb4 34 Kc2 Qb2 35 Kd3 Qb5 36 Kc4, the white king was

decisively behind in material. After 36...f6, Kaidanov carefully gave back a piece with 37 Kf3 fe 38 Qe4 Kh8 39 Qe5. Once the white king was secure, there was nothing for Schwartzman to play for, and he gave up.

on his way to freedom and Black was

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BALLE CICIO

TUESDAY, NOVEMBER 10, 1998

PAGE 13

#### Clariant AG **Plans Union** With Ciba

Pact Would Create Giant In Specialty Chemicals

BASEL, Switzerland — Ciba Specialty Chemicals AG and Clariant AG said Monday that they would join to form the world's higgest maker of specialty chemicals and dyes, with annual

sales of \$13 billion. About 3,000 of the Swiss companies combined 55,000 jobs worldwide would be lost in the process, saving about \$444 million a year, the companies said.

The companies described the transaction as a merger of equals, but Clariant shareholders would have a 54 percent stake in the company. Clariant share-holders would get 5.35 new shares for each share they hold, and Ciba holders would get one new share for each Ciba share. The swap values Ciba at about

The new company will be called Chriant, but its corporate symbol will be Ciba's trademark butterfly.

"Long-term, the merger is a good strategic move," said Thomas Vonaesch, a fund manager at Bank Sarasin & Cie. in Basel. "It's also good for share-

Ciba's and Clariant's shares have slid in price in recent months, but on Monday, Ciba rose 17.75 Swiss francs to close at 144.75 (\$105.73), while Clari-

ant gained 30 to 779. Specialty chemicals are used to enhance the durability, performance, color and feel of materials in clothes, packaging, household appliances, automo-

biles and other goods.

The companies said they would have a strong platform for growth in their core husinesses of additives and water treatment, celinlose ethers, process chemicals, fine chemicals and colors.

-The deal comes amid consolidation in the specialty-chemicals sector, and financial markets have been awash with speculation that the two rivals, both based in Basel, would have to act boldly to flourish in an extremely competitive



The new company is to be called Clariant but to use Ciba's butterfly logo.

environment. The economic crisis in Asia, a key market for the industry, has increased the pressure for mergers.

Clariant was spun off from Sandoz AG in 1996 before Sandoz and Ciba-Geigy merged into the life-sciences giant No-

vartis. Novartis spun off Ciba last year. Hoechst AG of Germany will retain its 45 percent stake in Clariant until the transaction is finished, the companies said. "On completion, the part: ipation of Hoechst in the new company will proportionally decrease," the compa-

Clariant and Ciba said they would take a one-time charge of 800 million Swiss francs in 1999 to reflect the cost of the reorganization. The new company

is to use U.S. accounting standards, pav-ing the way for a "possible" U.S. share listing later, the companies said.
(AP, Reuters, Bloomberg)

#### ■ BP to Build Chemical Plants

British Petroleum Co. said it planned to invest £500 million (\$831.3 million) in chemicals manufacturing in Britain 10 increase the competitiveness of its European chemicals business, Reuters reported from London.

BP said it planned to huild plants in Grangemouth, Scotland, and Hull, England, and to create as many as 2,200 jobs at the Scottish site, 900 jobs at Hull and 225 other jobs plantables in the state. 225 other jobs elsewhere in the chem-

### Ambitions Shrink at British Airways

Airline Scales Down Growth Plans as Passengers Pursue Lower Fares

By Tom Buerkle International Herold Tribura

LONDON -- British Airways PLC announced a big scaling back of its growth plans Monday, saying the global economic slowdown was prompting more companies and consumers to switch to discounted air fares.

The announcement coincided with a quarterly earnings report that was worse than most analysts had expected.

The intensified commercial pressure appeared to explain the airline's recent decision to gradually implement its planned link-up with American Airlines rather than press for an immediate, fullscale alliance, which would require major commercial concessions by BA to win clearance from U.S. and European

regulators.

"It is more difficult than it ever was" to meet those regulatory requirements, the company's chief executive. Robert

Ayling, said in a telephone interview.

British Airways, the largest European carrier, reported that earnings rose to £216 million (\$359.1 million) in its second quarter, which ended Sept. 30, from £153 million a year earlier, a threeday strike reduced pretax profit by £110 million in the year-earlier period.

A more telling figure was the 4.1 percent decline in revenue per passenger, a clear sign that travelers were scouring the market for eat-price fares. The drop was particularly significant because it occurred during the peak sommer travel season, when airlines

seek to increase prices and profits. Last week, BA reported that firstclass and husiness traffic fell 2.4 percent in October, the first drop after a long period of steady growth in premium-

fare traffic. They are facing revenue pressure." said Guy Keckwick, an airline analysi at

Goldman Sachs International. "All the growth is coming in the economy cabin. That's a worrying trend

BA shares slipped 1 pence to 404 on the London Stock Exchange. The stock fell more than 10 percent last week after the company announced the drop in

premium-fare passengers. Mr. Ayling called the results "pretty good" in the face of market weakness and said British Airways was taking

steps to remain competitive. He said the airline was ahead of schedule on a cost-cutting program and would achieve annual savings of £600 million by the end of the financial year.

term, British Airways said it would expand its capacity by just 2 percent in the coming financial year, which begins

That would be the slowest rate of next April. growth for the airline since Britain was

in recession in the early 1990s. In the first half of the current year, BA expanded passenger capacity by 12.6 percent, and before Monday it planned for an 8 percent increase next year.

The airline is reconfiguring its fleet around smaller aircraft with a higher proportion of premium seats, reflecting a belief that first- and husiness-class traffic will recover. British Airways is retiring 16 Boeing 747s and replacing orders for some 747-400s with Boeing 777s, which

some /+/-00s with booing ///s, which sent about 100 fewer passengers.

'They are curtailing their plans quite significantly," said Declan Magee, an analyst at ABN-AMRO.

Mr. Magee said the outlook remained difficult because of the uncertainty about the extent of the economic slowdown in Britain. Analysts said BA was particularly vulnerable because the global financial turmoil had taken a toll on London investment bankers, who

See BA, Page 14

#### EU Jobless Rate Slips to Six-Year Low

#### Decline to 9.9% Raises Hope That Consumer Spending Will Stay Strong there. We will remain vigilant as far as

Compiled by Our Staff From Despotation

BRUSSELS - Unemployment in the European Union fell to 9.9 percent in September, the first time in six years it had fallen below 10 percent, the EU's statistics office said Monday.

In the 11 European countries that will adopt a common currency, the euro, in lanuary, the jobless rate fell to a fiveyear low of 10.9 percent. In August it was at 11 percent.

In the three previous months, unemployment was steady at 10 percent across the 15-nation EU. In September 1997, the rate was 10.6 percent.

The report lifted hopes that consumers will keep spending, helping to shelter Europe from the world economic turmoil. "Consumer spending is picking up and will help stabilize the euro economy overall," said Joachim Fels of Mor-

gan Stanley Dean Witter in London. Europe's export industry, which has powered growth for the past two years, is seeing sales and profits fall as recessions in As Russia and Latin America reand for foreign goods. Govhope the advent of the euro

will ... case trade within Europe. Hans Tietmeyer, president of the Bundesbank, said Monday in Basel, Switzerland, that he expected growth in Europe to continue next year, even if it is not as strong as this year."

Global financial markets have "sta-

hilized in recent weeks," he said after a meeting of central hankers from the Group of 10 industrial nations, and "fear of a worldwide credit crunch has to some extent disappeared, at least in the higger industrial economies. But we have to be very cautious. Some fragilities are still

financial markets are concerned. Mr. Tietmeyer said the central bankers had discussed what international institutions should do to help Brazil. The International Monetary Fund is expected to announce an aid package for

that country this week. Joblessness in Europe is expected to decline at a slower pace in the next few months as export losses deter companies from taking on extra staff. Unemployment in Europe is still about twice as high as in the United States or Japan.

Eurostat, the statistics office of the European Union, said 16.6 million people were unemployed in the EU at the end of September. Luxembourg had the lowest jobless rate in the Union, at 2.2 percent, while Spain had the highest rate, 18.5 percent. (Bloomberg, AP)

#### Thinking Ahead /Commentary

#### England's Crisis Is Not About Identity to the British balancing act of the last

By Reginald Dale

ASHINGTON strange idea is going around that England is suffering an identity crisis now that Scotland, Wales and Northern Ireland are caining relitical resumment. Ireland are gaining political power at the expense of London, following constitutional changes initiated by the La-bour government of Tony Blair. The idea is nonsense. More than

most other races, the English have always been sure about who they are. That is still largely true, even if some commentators in the trendy, increasingly multicultural capital seem to be

But while Scots, Irish and Welsh have often defined their identity in opposition to the dominant English culture, the English have defined theirs in contrast to Continental Europeans, if not the rest of the world. And the Continent has always meant trouble.

That is where the real problem lies. The English identity contains characteristics - notably a fierce bostility to foreign interference — that clash with the drive to unite Europe since World War II, in which Britain has been an

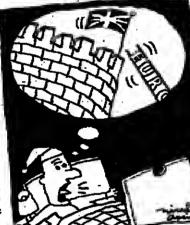
Fren reluctant participant.
Even many English people who see the logic of European integration have difficulty putting their hearts in it.

That is why Europe has been such a thorn in the side of successive British governments and has contributed to the downfall of the last two Conservative prime ministers. Mr. Blair knows it can

do the same for him.

It is one reason why Continentals rightly question Britain's European

1.6593 1.5321 1.6677



understood it.

commitment and why the idea of tri-partite leadership of the European Union by Germany, France and Britain a notion revived in some quarters after the recent German elections - will not work. Not only does European integration grate against England's history and culture, but many of the country's leaders, including the supposedly pro-

today, as 11 of the 15 EU members prepare to embark on a single currency, the euro — without Britain — at the

positive-sounding speech is enough to establish credentials as a "good European," although true membership in the European club requires action as

That has never been more true than

Buropean Mr. Blair, have never really

He and others seem to believe a

well as words.

beginning of next year.
The euro is the biggest challenge yet

quarter century, in which the country has participated in the EU while trying to prevent it from developing further toward a federal Europe.

The choice is now stark. Either Britain joins the euro, at the risk of a hig

loss of national sovereignty, or stays outside, jeopardizing its leadership role in a stronger Europe. Yet Mr. Blair is still trying to fudge the issue by promising to join the euro in principle, without doing much to ensure such an outcome in practice. The government admits it can do

little to synchronize the British and Continental business cycles - its main economic condition for euro membership — other than pursue sound eco-nomic policies and hope that the forces of European economic convergence will prevail.

By relying on words not action, Mr. Blair seems to hope events will take the decision out of his hands. One way that could happen would be if British business and the City of London stepped up the pressure for joining, especially if

the euro proves a success.

Of course if the euro is not a success,
Mr. Blair will be off the hook — which is why some people in London are recklessly hoping that the currency will

But that is not leadership. If Mr. Blair really wants Britain to join the euro, be must tackle the deep historical and cultural forces that make the British and shows all the English so reish, and above all the English, so reluctant to throw in their lot with their Continental rivals and neighbors.

E-mait address: Thinkahead@washpost.com

Nov.

## Private Banking International



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#### **CURRENCY & INTEREST RATES** Nov. 9 Libid-Libor Rates

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#### **Very briefly:**

 MGM Grand Inc. agreed to buy Primadonoa Resorts Inc. for about \$602 million in stock and assumed debt to take complete control of the New York-New York resort in Las Vegas, one of the city's most lucrative casinos,

m Hershey Foods Corp. is considering selling its pasta business, the largest in the United States, with brands including Ronzoni and San Giorgio, to focus on chocolate and candies

 Noranda Toc., a Canadian metals company, approved a \$170 million expansion at its Chilean copper-processing plant to keep up with surging output by the country's copper miners.

 General Motors Corp. awarded Alcan Aluminum Corp. a 10-year, multibillion-dollar supply contract for aluminum as the world's largest automaker aims to limit pollotioo by making vehicles lighter.

Fox Entertainment Group Inc.'s first-quarter profit doubled on growth at its movie division as the company owned by News Corp. prepares for a stock sale to the public Continued from Page 13 year and delay the introduction of Canadian Airlines Corp. this week. Not income rose to \$57 million, in the three roonths ended Sept. 30 as revenue rose to \$1.8 billion from \$1.48

#### **Weekend Box Office**

LOS ANGELES - "The Waterboy" dominated the U.S. box office over the weekend, with a gross of \$39.1 million. Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

The Associated Press

1. The Waterboy	Touchstone Pictures	\$39,1 maio
2. The Siege	Twentieth Century-Fax	\$14.7 tqillio
3. Pleasaniville	New Line Cinema	\$6 In Milio
4. The Wizord of Oz	Warner Bros.	\$5.5 millio
S. Antz	DreamWorks Pictures	\$5.4 tn##0
d. Living Out Loud	New Line Cinema	\$4.5 male
7. Prociscol Magic	Warner Bros.	\$4.3 millio
8. John Corpertor's Vamples	Columbia Pictures	\$4 20250
9. Belly	Artison Entertainment	53.7 mH/g
10. Rosh Hour	New Line Cinema	\$3.5 million

Level	Change	% change	year to date % change
185.46	2.56	<b>— 1.36</b>	+ 7.76
85.64	2.51	- 2.85	10.80
213.05	3.35	- 1.55	+ 10.37
260.15	1.92	- 0.73	+ 20,45
95.15	1.24	1.29	37.60
257.19	0.90	- 0.35	+ 24,51
231.15	<b>~</b> 3.10	-1.32	+ 10.21
195.56	2.35	- 1.19	+ 0.31
125.39	- 3,18	- 2.47	+ 1.98
171,20	- 2.42	1.39	+ 14.22
171.69	- 1.99	1.15	+ 2.66
196.92	<b>— 1.96</b>	0.99	+ 12.97
176.05	2.98	1.66	+ 5.50
	185.46 85.64 213.05 260.15 95.15 257.19 231.15 195.56 125.39 171.69 196.92	185.46 — 2.56  85.64 — 2.51 213.05 — 3.35 260.15 — 1.92 95.15 — 1.24  257.19 — 0.90 231.15 — 3.10 195.56 — 2.35 125.39 — 3.18 171.20 — 2.42 171.69 — 1.99 196.92 — 1.96	185.46 — 2.56 — 1.36 85.64 — 2.51 — 2.85 213.05 — 3.35 — 1.55 260.15 — 1.92 — 0.73 95.15 — 1.24 — 1.29 257.19 — 0.90 — 0.35 231.15 — 3.10 — 1.32 195.56 — 2.35 — 1.19 125.39 — 3.16 — 2.47 171.20 — 2.42 — 1.39 171.69 — 1.99 — 1.15 196.92 — 1.96 — 0.99

#### **AMEX**

Monday's 4 P.M. Close The 200 most traded stocks of the day, up to the closing so Wall Street.

Interior of the control of the contr

#### Financial Shares Lead the Market Lower

Sanford Weill, a co-chairman, including Citigroup, took over in said last week the shake-up was necessary because senior managers made about who will replace him on

percent fall in third-quarter profit.

Citigroup last week also stripped a largest U.S. bank, is cutting 5 perSalomon vice chairman, Deryck cent of its staff by the end of the year

resectative on the board of Long-Term Capital Management LP, the ing markets and investment bank-

year and delay the introduction of new international services because of the slowing global economy.

Canadian Airlines Corp.

The "open skies" deal demanded by U.S. authorities in exchange

The worsening climate helps to for allowing the BA-American al-explain the decision by British Air-liance would unleash a wave of new

ways in recent weeks to stop push- competition on routes between Bri-

ing for an immediate regulatory ap- tain and the United States. Those

Mr. Ayling said British Airways
was now pushing for a phased implementation of the alliance, in step
with a gradual liberalization of the

failed hedge fund that 14 banks, ing, these people said.

NEW YORK - Stocks were mostly lower Monday for the first time in nine days, led by financial shares, as investors concluded that the Federal Reserve Board would keep U.S. interest rates steady, in contrast to earlier expectations.

As the U.S. economy has shown signs of strength lately, the stock market has rebounded sharply in recent weeks from its lows this summer. Last week, the Fed chairman, Alan Greenspan, suggested that investors in the bond market were growing more amenable to risk, easing the threat of a credit crunch.

"It is not written in stone that interest rates have to come down" at the next meeting of the Fed's monetary policy committee next Tues-day, said Marshall Acuff, an equity

NEW YORK — Citigroup Inc.

said Monday that Steven Black,

global head of equities at its Salomon

Smith Barney securities division, had resigned, continuing the shake-up of top management at the world's largest financial-services company.

His resignation came just over a

week after the departure of Jamie Dimon, 42, a president who left after

complaints about the integration of

Citigroup's banking operations.

Mr. Black, 46, who played a pivotal role in building Smith

Barney's equities business, was

seen as second-in-command to Mr.

Dimon, and was a top executive at

Citigroup, formed from the merger

Continued from Page 13

front of the carrier's planes, but Mr.

travel budgets would recover.

Ayling predicted that corporate

The announcement follows a

string of downbeat reports from ma-

or international airlines last week.

KLM Royal Dutch Airlines report-

ed a 25 percent drop in operating profit in the September quarter and delayed delivery of two Boeing

747s because of a weak outlook. Scandinavian Airlines System re-

normally occupy a lot of seats at the of the slowing global economy.

American.

that it would retire 10 planes next ways Ltd., Qantas Airways Ltd. and Sachs said.

U. S. STOCK MARKET DIARY

of Travelers Group and Citicorp.

strategist at Salomon Smith Barney. At the close, the Dow Jones industrial average was down 77.50 points at 8,897.96, and the Standard & Poor's 500 index was down 10.81 at 1,130.20. But the Nasdaq composite rose 4.49 to 1,861.05 on strength in Internet-related stocks.

#### U.S. STOCKS

Declining stocks comumbered advancing ones by a ratio of about 2to-1 on the New York Stock Ex-

Banks and financial services companies led the market decline. Bank One fell 2 3/16 to 51<sup>3</sup>4, National City fell 1 13/16 to 67 7/16, Chase Manhattan slipped 2½ to 58½, and Bank America slid 2 5/16

Citigroup's Management Shuffle Goes On

in charge of the company's cor-porate and investment bank "were

The new company reported a 65 percent fall in third-quarter profit.

Maughan, of management respon-

sibilities. It named Victor Menezes,

co-head of corporate banking, and

Michael Carpenter, a vice chairman

as heads of an investment and com-

mercial banking business.

Mr. Black was Citigroup's rep-

proval of its planned alliance with

just not getting it together."

J.P. Morgan fell 3% to 100%: rectory, rose 11 3/16 to 164%, and people familiar with the bank said it would cut as many as 740 employternet media company said it had

ees, or about 5 percent of its staff.
Citigroup, the world's largest financial-services company, was caught in the selling even after it said it would buy back as much as \$2 billion, or 1.8 percent, of its stock. Citigroup fell 11/4 to 45.

Airline stocks fell amid concern that profits in the industry would fall next year. AMR, the parent of American Airlines, fell 4¼ to 62½, and US Airways lost 2 7/16 to 50 9/16. Yahoo!, Excite and other Inter-

net-related shares soared on optimism that the companies will benefit from a surge in on-line shopping and advertising revenue during the

that board, a company spokesman said. (Reuters, Bloomberg)

as slowing global markets reduce its

as stowing global intracts to reduce its profit, people familiar with the bank said, Bloomberg News reported.

J. P. Morgan, which employs about 16,200 people, is cutting more than 700 people through a combination of firings and attrition in

routes generate nearly 80 percent of

British Airways profits.

Job Cuts at J. P. Morgan

holiday season. Yahoo!, the No. 1 Internet di-

#### As investors pulled money out of stocks, Treasury bonds, which had plunged in price in recent days, showed gains. The benchmark 30-year bond rose 1 10/32 points to 99 12/32, pushing the yield down to 5.29 percent from 5.38 percent Friday.

The Associated Press BAY CITY, Michigan

**Details of Deal** 

In Implant Case

Are Disclosed

formed an alliance with Charles Schwab & Co. and Intuit Inc. to

offer investment education on the

Centocor rose 41/s to 511/s. The

World Wide Web.

angioplasty.

Women who contend that their Dow Coming Corp. silicone breast implants caused diseases could receive from \$2,000 to \$300,000 each, under details of a proposed \$3.2 billion settlement filed Monday.

The plan submitted to U.S. Bankrupter Court remains sub-

Bankruptcy Court remains sub-ject to approval by the judge and by a vote of commercial creditors.

The company announced the \$3.2 billion settlement in July. Since then, the company and attorneys for the affected wornen have been working out details, including the size of any cash awards.

Uoder details of the plan filed Monday, women who filed claims against Dow Coming can also settle for \$2,000 with no questions asked. Women who detail the prob-

lems could be eligible for

The women may reject the offer and file lawsuits on their own; the plan provides a pool of up to \$400 million for individual claims. If approved, the plan would

market for routes between the London before linking up with United States and Britain, over four to five years. In the meantime, Brit"The last thing they need right let injury claims move forward posted a 26 percent decline in quarterly pretax profit and said busioess passenger traffic was flat.

American Airlines announced American, Cathay Pacific Airroutes," Mr. Keckwick of Goldman for the first time since May 1995, when Dow Coming sought to reorganize under

Dollar Rises As U.S. Rates Look Firmer Excite rose 71/2 to 471/2. The In-

NEW YORK — The dollar gained against the mark and the year Monday amid a decline in expectations for the Federal Reserve Board to cut U.S. interest rates when its policy-making committee met next week.

biotechnology company said its ReoProdrug could reduce the risk of death in patients who underwent the artery-opening procedure known as angionlasty Traders also bought dollars amid optimism that a pending interna-tional loan package would help Brazil meet its debt obligations and help stave off recession in other Latin America countries. Increased confidence in the markets is the reason the Fed man, not cut rates," said Lee Thomas.

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MS MARKETS

#### FOREIGN EXCHANGE

a fund manager at Pacific Invest-ment Management Co. "People are also more optimistic about a pack-age for Brazii."

The dollar fell in recent weeks partly on concern that a slowdown in Brazil would hurt the rest of Latin America, which takes about 20 per-cent of U.S. exports. Stanley Fischer, first deputy man-

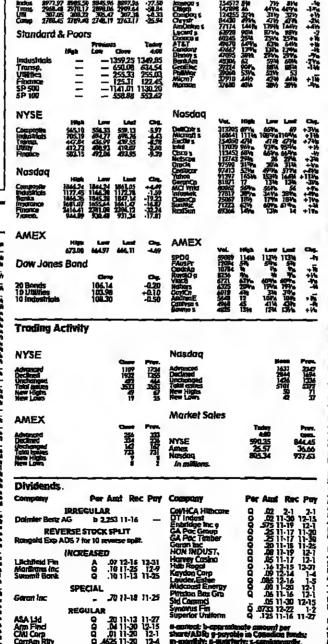
aging director at the International Monetary Fund, said the loan package, which is expected to include \$15 billion from the IMF and \$4 billion to \$5 billion from the World Bank, would be announced this week.

Traders have scaled back their expectations for a U.S. rate con-since the Fed chairman, Aba-Greenspan, said last week that investors were again becoming more comfortable with risk. Investors took that to mean that the Fed saw less of a need to add liquidity through lower interest rates. Lowerrates would decrease the allure of dollars by reducing the returns on dollar-denominated assets.

In addition, investors have been cheered by reports in the last two weeks showing that U.S. retail sales rose a better-than-expected 4.8 percent in October and that third-quarter gross domestic product grew 3.3 percent, more than the 2.2 percent forecast by economists. The Fed has cut its target overnight lending rate twice

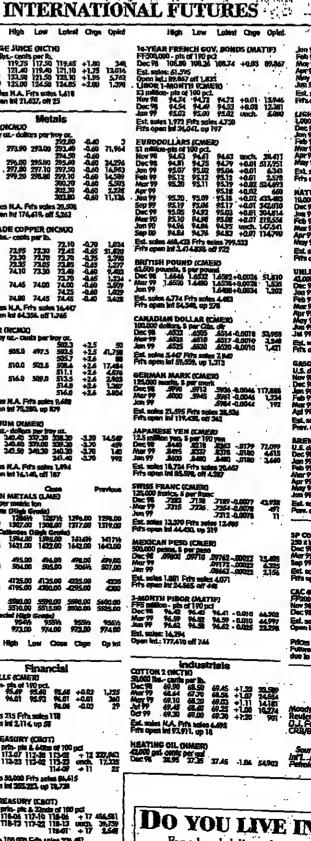
since late September, to 5 percent.
In 4 P.M. trading, the dollar rose
to 1.6888 Deutsche marks from
1.6729 DM on Friday and to
121.700 yen from 119.511 yeu.

Against other currencies, the dol-lar rose to 5.6586 French francs from 5.6102 francs and to 1.3965 Swiss francs from 1.3781 francs. \$1.6605.



**U.S. Stock Tables Explained** 

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-FRANKFURT -- Assicurazioni Generali SpA, an Italian insurer, and Commerzbank AG of Germany agreed Monday on a broad alliance

that will include a swap of shares

valued at 1.2 billion Deutsche marks

(\$722.9 million). Generali said it would buy a 5 percent stake in Commerzbank by subscribing to a capital increase for the bank. Commerzbank said it would take a 2.5 percent stake in

in addition Commerzbank will name a director to the supervisory hard of Generali's German unit. AMB Aachener & Muenchener Beteiligungs AG, which will be-come the bank's exclusive partner in

selling insurance in Germany.

"AMB will be able to significantly extend its already vast sales network by collaborating with a bank of such international prestige,"
Generali said it said the alliance would add about 1 percent to its

recurring life insurance premiums. The transaction will tighten the already close links between two of Europe's largest financial instin-tions, which include joint stakes in Banca Commerciale Italiana SpA,

Italy's fifth-largest bank.
Shares of Commerzbank rose
2.20 DM to 54.90 in Frankfurt. Those of Generali fell 499 lire to 58,545 (\$35.65) in Milan.

Fiat Buys Into Renault Unit

Fiat SpA said it had bought most or kenault's foundry unit, a move record set by the first tranche last October. That sale that bolstered links between Italy's raised 44 billion francs. largest and France's second-largest carmakers, Bloomberg News reported from Paris.

In exchange, Renault will get a 33.5 percent stake in Teksid SpA, Fiat's metals-making unit.
Fiat forecast 1999 sales of \$2 billion for Teksid, which will now

incorporate six of Renault's AT Systemes tactories. Teksid has 22 plants in Europe and the Americas. It accounted for

2.6 percent of the Italian carmaker's The move by Renault and Fiat, which follows the companies' plan to link their bus operations, will help

#### EU Agrees to Freer U.S. Trade Proposal Sidesteps Barriers on Films and Farm Goods

scrapping trade barriers with the The so-called Trans-Atlantic United States, after France Economic Partnership "offers the

to remove mainly regulatory bar-riers to EU-U.S. trade, which was The effe worth 277 billion European currency units (\$326.19 billion) in

tiated by the EU trade commis-sioner, Sir Leon-Brittan, and the for exponers. U.S. trade representative, Char-

expected price range.

August of 498.50 francs.

in its German counterpart.

France Telecom Price

Compiled by Our Stoff From Despotches

PARIS - The largest French stock sale ever, a

Compared with an expected spread of 350 to 370

france, France Telecom shares opened in Paris at 373, op from 368.50 on Friday, and closed at 370 (\$66.47). Chairman Michel Bon said the sale would be worth

50 billion to 60 billion francs, which would break the

The current price is double the initial price of the first tranche, 187 francs, but well short of the stock's high in

The state has now cut its stake in France Telecom to

62 percent from 75 percent, and the company is increasing its share capital by 5 percent, half by issuing shares warrants and half by a coovertible bond issue. The state will also sell a 2 percent stake to Deutsche

Telekom AG, while France Telecom will buy 2 percent

shares through a global placement that closes Nov. 27.

A further 32 million shares will be sold in a fixed-price offer to private investors. France Telecom said it hoped to increase the number of shareholders by 500,000

through the sale, to a total of 2 million. Finance Minister

Dominique Strauss-Kalm has said the sale, which was

Institutional investors are being offered 44 million

second batch of France Telecom shares, started Mon-

day with the stock trading at the upper end of dealers'

**Meets Sale Forecasts** 

agriculture and film industries.

The modified plan, which does not address trade barriers on farm products or motion pictures, aims turbulent world economy," Sir

The effort at dismantling trade barriers comes as the United States and EU differ over broad trade issues, ranging from the World EU foreign ministers authorized Trade Organization's role in setthe European Commission to start
the European Commission to start
thing disputes to U.S. sanctions on
carrying oot the measures, negotiated by the EU trade commisCuba and Iran to U.S. tax breaks

Such as agriculture, the plan suggests the two sides work more
countries doing business with
closely together to prepare multiated by the EU trade commis-

cooperation between regulators in next year.

The United States is expected to areas such as mutual recognition BRUSSELS—The European formally agree to the plan at a of technical regulations and pro-Union's 15 member governments meeting with EU officials next adopted a plan Monday aimed at month. The so-called Trans-Atlantic ment and intellectual property.

The plan also steps up scientific blocked an earlier plan on concern removal of expensive barriers to cooperation across the Atlantic, that it would damage the French trade, more market access and im- establishing an "early-warning system" to avoid disputes over food safety and biotechnology.

Over the past two years, a series of EU-U.S. disputes over food safety have erupted, with the United States accusing Europe of basing its legislation on consumer fears rather than sound science.

On the more contentious issues are scheduled to start in World Sir Leon's plan calls for closer Trade Organization in Geneva late



SO FAR, SO GOOD - Wilhelm Simson, chief executive of VIAG AG, smiling in Munich on Mooday as he aonounced a 17 percent increase in nine-month pretax profit and predicted higher full-year results.

#### Asia's Slump Hits German **Factory Data**

FRANKFURT -- Industrial production in Germany fell 3.2 percent in September from August, the government said Monday. The drop, which was bigger than expected, was another sign that the slowdown in Asia could cut into European economic growth.

industrial output rose 2.1 perceot from September 1997, also less than

The government however, that the figures might be weaker than they should be because summer vacations had delayed reporting at many companies. The Ecocomics Ministry said it expected to revise the figures upward.

But the drop in output still seemed likely to reinforce expectations that growth in Germany and other European countries will slow next year as shrinking economies in Asia, Russia and Latin America buy fewer European goods.

The report points to "an inteosifying squeeze on exports," said Catherine Lee, an economist at Greeowieh NatWest in Loodon, although she warned that the figures

were suspect. "Large declines in all sectors suggest that the data are probably based on incomplete replies," she said.

The decline in output was led by a 5.6 percent fall in the production of energy and a 4.1 percent drop in the output of capital goods such as ma-chine tools. The only monthly increase was posted by the construction industry, which saw corput rise 0.6 percent.

Productioo in Western Germany fell 3.4 percent from the month before but climbed 2.5 percent from a year earlier. In Eastern Germany which accounts for only one-teoth of Germany's economic activity, production fell 2.7 percent in the mooth and 2.9 percent on the year. The report reflects activity at factories, construction sites, utilities and mines.

Economists expect the slowdown in world growth to slow but not to derail European economic expansion. The European Commission last month cut its 1999 forecast for the 11 European Union countries that are adopting a single currency in January to 2.6 percent from 3.2 percent.

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Amaterdam	AEX ·	1,060.32	1,057.31	+0.28
Brussels	BEL-20	3,249.89	3,241.72	+0.25
Frankfurt ::	DAX	4,768.58	4,836.22	-1.40
Copenhagen	Stock Market	612.46	615.84	-0.55
Helskrid	HEX General	4,530,90	4,494.74	+0.80
Osio	OEX	508.54	520.30	-2.26
London	FTSE 100	5,433.90	5,491.00	-1.04
Madrid	Stock Exchange	800.75	209.03	-5.02
Milan	MUSTEL	20410	20700	-7.40
Paris	CAC 40	3,585.32	3.588.63	-0.09
Stockholm "	SX 16	3,569.29	3,547.34	-1.07
Vierma	ATX	1,145.88	1,154.95	-0.79
Zurich .	SPI	4,211.05	4.217.50	-0 15

#### Very briefly:

· Global crude-oil demand this year is expected to rise only 0.75 percent, the slowest growth since 1993, to 74.3 million. barrels a day, as economic troubles cut demand from Asia and the former Soviet Union, the International Energy Agency.

· Viveodi SA's U.S. unit Sithe Energies Inc. agreed to buy 23 power plants from GPU Inc., a New Jersey-based utility. holding company, for \$1.67 billion, helping to establish the French water utility on the international energy scene.

• The Bundesbank and European Central Bank policy-making councils will meet on alternate Thursdays after the European Central Bank takes over monetary policy control in 1999. a spokesman for the German central bank said.

• Deutsche Telekom AG's mobile-phone unit plans to reduce its call charges 32 percent Dec. 1, matching price cuts planned by its rival Mannesmano Mobilfunk.

Bloomberg Renter



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Fiat cut production costs after its car delayed a month, is a sign that the recent stock-market unit posted a third-quarter loss.

delayed a month, is a sign that the recent stock-market turnoil has passed.

(Reuters. AFP) WORLD STOCK MARKETS Den Danake Bk. — 860 859.14 — 865 875 D/S Svendbrg R 67000 44000 45000 46000 D/C.1016.0 — 68006 44000 63300 46300 Telekors .... parocepted hadacount Syn independent Syn independent HM Samuel Gersille Telefonomister Tenth Tenth Park 1130 740 495 3500 1200 1225 4025 8130 7975 3000 7150 3000 1150 10325 3600 7600 2525 2575 450 3500 1200 71000 3400 8000 8000 2425 3000 3025 1715 16300 3900 7300 7500 2550 3000 4225 | Package | Pack AMB R
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#### South Korea Aims to Win Back Trust of Foreign Investors

By Don Kirk

SEOUL - Amid widespread skepticism among potential foreign investors, the government has opened an aggressive campaign to lure them into a market long criticized for bureaucratic red tape and cultural resistance.

A newly passed foreign investment promotion act that takes effect next Tuesday gives investors in plant facilities here a 10-year tax holiday as well as discounts on rental fees for real estate, one of the biggest barriers to foreign investment. It also simplifies procedures for obtaining government nlicenses and opening offices.

A Moon Jae Woo, director of foreign

direct investment at the Ministry of Fi-

nance, predicts foreign direct in-vestment in South Korean business and industry will exceed the \$6.9 billion received last year.

"Our economic outlook is better, and we have stability in securities and foreign exchange,"

While South Korean officials talk optimistically of what they are doing to remove bureaucratic restrictions, however, foreigners still cite one problem beyond the reach of the government: South Korean owners are reluctant to recognize that what they have to sell is not worth nearly as much as it was more than a year ago, before a tidal wave of bad debts plunged the economy into eco-nomic crisis and recession.

"Korea is not a desirable place now to British Telecommunications PLC com-

Our economic outlook is better, and we have stability in securities and foreign exchange."

> invest," said Stephen Marvin, research chief at Jardine Fleming Securities here, "but it will be in the future, when prices come down to what assets are worth."

> Direct investment by foreign in-terests stood at \$5.53 billion in the 10 months through October, down from \$5.85 billion for the first 10 months of last year, but it has shown a marked increase in the past two months.

> Foreign investment in October was \$894 million, including \$400 million that

BT investment, the figure ex-ceeded the \$361 million invested by foreigners in South Korean enterprises in October of last year.

Jeff Jones, president of the American Chamber of Commerce here, said that there had been some "far-reaching and very dramatic" changes, "both in pro-cedures and in overall climate." Mr. Jones, an attorney who has been working with foreign investors here for 21 years, cited the ease with which investors now could obtain approval for

any kind of deal. "It used to be, approval took many days," he said. "Partners had to lobby, and everything had to be a joint venture.

mitted to LG Telecom for a share of the rapidly growing mobile-phone business here. But even without the telecommunications, publishing and broadcasting, defense industries, and agriculture, he said, "there are no restrictions on 100 percent foreign in-

vestment in a company."

The shifting outlook toward foreign investment reflects the need for an infusion of foreign funds as well as the philosophy of President Kim Dae Jung, who has been in office since February. Battling the country's historic cultural isolation, he has told South Koreans that no nation these days can avoid being inextricably linked with others in run-

ning its economy.

Even so, foreigners still complain about secrecy surrounding the real value of assets and the extent of obligations. South Koreans still view real estate as

a treasured commodity, often using it as overly valued collateral for wildly accumulating loans in the years before the current economic crisis.

Although the government this year opened the real-estate market to foreign investment, potential investors lose interest after hearing the prices, according to Sam Hageman, a director at the Seoul office of John Buck Co., a Chicagobased real-estate firm.

erty, how do you get out if you want to?" So far, he said, he knew of no cases

of a major property being resold.

Foreigners are also having trouble with the South Korean accounting system, said Hank Morris, a financial consultant here. "It's still woefully inadequate," he said. Mr. Morris cited the case of a company with 40 employees that claimed its payroll came to less than

"For 40 employees, you need double that amount," he said. "When we noticed that, we knew it didn't make

At the Ministry of Finance, Moon Jac Woo acknowledged that a lack of accounting transparency was a "major complaint" of investors. But he said the government was "strongly urging" companies to make financial statements more clear and transparent.

#### Very briefly:

Chan as its chairman.

· Daimler-Benz AG said next Tuesd had been designated Daimler Chrysle. AG's "Day One," when the shares in the merged group would first be traded on international stock exchanges. The operating businesses of Daimler and of Chrysler Corp. will also be merged on that day. Daimler said the offer to exchange Daimler shares for shares in the merged group had been completed with about 98 percent of shares exchanged " Global Food Culture Group Ltd. which operates chains of Japanese and Korean restaurants in Hong Kong, named the action movie star Jackie

 India has allowed companies to invest. as much as \$15 million in joint ventures and fully owned subsidiaries overseas. taking another step in its economic lib-eralization program. Until now, the gov-ernment allowed companies to invest only \$4 million in such venture overses the Commerce Ministry said. The Indian government said last month that it would allow full participation by foreign investors in five new international proj-

· Malaysia cut its three-month intervention rate, the rate at which it lends to banks, for the sixth time in three months, seeking to push banks to lend more to cash-strapped companies. Bank Negara Malaysia, the central bank, lowered the rate by 50 basis points, to 7 rcent. It last cut the rate, also by 50 basis points, on Oct. 5.

Castorama Dubois Investissements SCA predicted earnings per share would grow at least 30 percent this year after it combined its home-improve-ment business with that of Britain's Kingfisher PLC. The combined com-pany would have annual revenue of about £3.6 billion (\$5.99 billion) 2 would be one of the largest retail concerns in Europe, with a market capitalization of about £4.9 billion.

Scudder Funds, a unit of Scudder Kemper Investments Inc., which is owned by Zurich Financial Services AG, will open its Scudder Micro Cap Pund to investors, 13 months after it closed the fund when it reached \$100 million in assets. Scudder said it planned to close the fund again when assets reached \$150 million, although it expected existing shareholders to be able to continue investing.

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#### "Can Portfolio Hedging Explain the 'January Effect'?

FEW YORK — It has all the makings of an investing whodunit. The so-called January effect — the tendency of small-capitalization stocks to thrash 15 their large-cap siblings in the first month of the year — has occurred with such elegularity over the last century that even hard-nosed statisticians are impressed. Since 1926, small-cap stocks have returned five percentage points more in January, on average, than large-cap stocks. During the other months of the year, large-capitalization shares have estightly outperformed smaller ones.

You'd think that by now, researchers would have figured out the exact cause of the January effect. But they haven't. bi Of course, investors who want to take advantage of the phenomenon might think its explanation is irrelevant. Why not just buy small-caps on Dec. 31, sell them on Jan. 31 and be done with it? Can't the philosophical debate be left to

Well, no. The effect has become so accepted that unless there is some strong, specific force that confines it to the first month of the year, the effect should start occurring earlier and earlier Hulbert/WALL STREET WATCH

- before the new year even begins. That's because investors would start buying small-caps sooner, to beat others to the inevitable climb in prices. Over time, the January effect would become the December effect, then the November

effect. Eventually, it would disappear. Until recently, perhaps the most plau-sible explanation of the January effect was the fact that many investors sell stocks to lock in losses for tax purposes as the year winds to a close. See moves, the explanation goes, put it is command pressure on the relatively illiquid small-cap stocks, setting up the conditions for a lanuary rebound.

But two economists at the Federal Reserve Bank of Atlanta, Lucy Ackert and George Athanassakos, recently wrote a working paper that rejected this hypothesis. They discovered that the nuary effect was a combination of two separate seasonal patterns; small-cap strength and large-cap weakness. The tax-loss selling theory really can't explain the latter.

that can explain both patterns. Proposed more than 10 years ago by two professors, Josef Lakonishok of the University of Illinois and Robert Haugen of the University of California at Irvine, it focuses on the practice of portfolio hedging.

Because most mooey managers reocive performance-related bonuses at year-end, many have an incentive to make their portfolios look increasingly like the Standard & Poor's 500-Stock Index as Dec. 31 approaches.

A money manager whose portfolio is now outperforming the index, for ex-ample, knows that he will receive a good bonus for beating the market provided that he can hold on until yearend. So he might aim to lock in his above-market performance by selling small-caps and buying the S&P 500.

A manager who is lagging behind the market might do the same thing, but for different reasons. As Dec. 31 nears, his desire to take risks in order to bounce ain the latter.

However, there is another hypothesis

back is outweighed by another desire; to

Financial Digest, a newsletter based in

Alexandria, Virginia.

compensation state of money managers is wiped clean, and they are suddenly free to take risks again. So they might dump many S&P 500 stocks they bought late in the previous year and replace them with small-caps.

rankings. Come Jan. 1, however, the

The likelihood that portfolio bedging is the cause of the January effect is good news for those betting on it. As long as managers continue to receive performance bonuses, the effect is unlikely to creep into December or to dissipate.

But before making a short-term bet on the January effect by buying a basket of small stocks, investors should remember that the difference between bid and ask prices on such shares is typically high often 5 percent or more, compared with 0.5 percent or less for large-caps.

That is a high hurdle for a short-term trade. A better factic is to buy a futures contract on a small-cap index such as the Russell 2000 Index in the U.S. market while taking a short position - in effect, a bet that prices will fall - on a large-cap index such as the S&P 500.

Mark Hulbert is editor of the Hulbert

November 9, 1998 Advertisement For information please contact, Katy Houri: Fax (33-1) 41 43 92 12 or e-mail: fund INTERNATIONAL FUNDS http://www.ibt.com/HT/FUN/funds.html funds subsection at a fun 20 COLBERT SECURITIES ASSET MINET LTD. IN CSAM Pusibaning Fd S AJS LO Nutrition LO Sets 5 8- M Com-MBARD ODNER OPPO The property of the property o P. ACM Research Fd. S. 125.27

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#### Making Sense of the 'Year of the Deal'

By Kenneth N. Gilpin New York Times Service

NEW YORK - Deals, deals and more

Despite the summer riot in financial markets, 1998 may be remembered as the Year of the Deal

New mergers — and worries about some older ones — have been on the market's mind.

Since the middle of October, when the U.S. Federal Reserve Board cut shortserm interest rates for the second time in less than three weeks, a half-dozen comfinations valued at \$1 billion or more. have been announced.

But the departures of James Dimon. sident of Citigroup Inc., and David Coulter, president of BankAmerica Corp., have cast doubt on whether their newly merged organizations would

prove to be harmonious and profitable. Tom Burnett, director of Merger Insight, an institutional research service that publishes daily reports for clients who own takeover stocks, recently

Q&A / Tom Burnett

shared some of his thoughts on the combination game and how to play it.

Q. Do you see trouble brewing at either Citigroup or the combined BankAmerica and NationsBank?

A. There was a lot of cuphoria after the Citicorp-Travelers deal was announced, and we thought a lot of that was misplaced, even though we did not expect the Russian turnoil. It will take some time to generate the

synergies and cross-selling opportuni-ties John Reed and Sandy Weill were talking about when they announced the deal. In a highly regulated industry like banking, you

can't expect a bonanza Q. Did James Di-mon's dismissal surprise.

will get next year.

A. I was surprised the

A far greater risk to the deal, in my

A. With the defeat of Senator Al

D'Amato, who was chairman of the Senate Banking Committee and was in

favor of bank-legislation reform, no one

knows what sort of legislative thrust we

view, is what happens in Washington.

would be very unhappy if they had to give that part of their business up. Q. Is the situation at NationsBank A. Very much so. Hugh McColl had a vision to build a coast-to-coast banking operation, but, unlike Sandy Weill, he already has a formal approval from the Federal Reserve O.K.ing the merger. Those things are hard to get.
Going forward, all
McColl has to do is grow

opponent in the past. That could put a bit

of a cloud over Citigroup, because it is

hard to plan budgeting and capital spend-

ing for insurance, which is one-third of

their major operations, that they may not

own in three years. I think Citigroup

Look for mergers that create clear leaders and lines of organization.

now, but in five years 1 don't think people will remember his stock didn't fall more than it did after that But they will remember McColl's, happened, because I saw it as a sign of because he built the first coast-to-coast overall management turmoil. But when all is said and done, this is Sandy Weill's banking empire. Q. You have said that the characdeal. Having a strong personality on the buyer's side is very important, because you need strong willed senior management to make sure the merger happens.

teristics of a successful merger tend to vary from one industry to the next. Still, there must be some generic guidelines to help investors determine if they should hold, sell or buy.

A. You should be careful of mergers

the business.

People are talking

about David Coulter's forced resignation right

of equals that end up with co-managers. That usually leads to management succession and accountability problems. In the period between when a deal is

announced and consummated, it is very important to read senior management well, to make sure they are committed, because there is a certain amount of



Mr. Burnett advises investors to beware of 'co-managers' at the top.

Always invest in a company with a clear leader and clear reporting rela-

DaimlerChrysler has a clear organization chart. Morgan Stanley Dean Witter has a clear delineation of responsibility.

British Petroleum and Amoco is another good example.

They have clearly labeled what the

company in Illinois is going to do and what the company in the United King-dom will be doing. It should be a big

Q. Is the pace of activity likely to slow next year?

A. We have had a slowdown from the first half of the year, and I think it will remain slow until we see if we are going into a recession. If companies sense that, they will pare activity.
In the greater scheme of things, re-

cessions are near-term events, and a merger is a long-term decision. But the near-term impact can be painful if you pay for an earnings stream that dries up if a recession hits.

Junk bonds look especially compelling if you believe the bulls' case for stocks. This view says that there is no recession on the horizon, that further interest-rate

**Junk Bonds Could Help** cuts from the Federal Reserve Board will make sure none appears, that worries of a credit contraction are overblown and that corporate earnings will not be as weak as

Missed the October Rally?

By Gretchen Morgenson

New York Times Service

NEW YORK - Impressive indeed,

this John Glenn rally in the stock market.

Since Mr. Glenn was lifted into space

Oct. 29 on a space-shuttle flight that

ended Saturday, the Dow Jones indus-

trial average has rocketed 7 percent.

Even more remarkable, the Dow has

rallied 19 percent from its Aug. 31 low.

Of course, any time a market moves

up this far this fast, it leaves plenty of

investors behind. Those who sold stocks

during the late summer or early fall are

percent spurt doesn't feel right, either.

Buy junk bonds. Because of their high

degree of risk, these securities are

viewed as more like stocks than like

bonds. But unlike equities, junk bonds

have not yet rallied from depressed levels. That is because there is still less

liquidity in the junk market; trading is not

Fears of a credit pullback and another

travesty like the one that befell the

hedge fund Long-Term Capital Man-agement hedge this autumn have kept

the market for high-yield bonds frozen.

That is down from the peak spread of

6.44 percentage points Oct. 16 but still

well above the historical average spread

of around four percentage points.

near the usual volume for this arena.

kicking themselves for their cantion.

Vhat should investors do?

was previously thought. If the bulls are right, junk bonds will be big money-makers for investors. But an appealing aspect to buying junk bonds at current levels is that the reward potential is great and the chance of disaster far less than it is in stocks that are back to their all-time highs. Even if the United States slips into a recession and default rates rise on junk-bond debt, prices of these already depressed bonds are not likely to plummet; and if prices do fall a bit, investors will collect a But chasing stocks after a nearly 20

considerable yield for their trouble. The fact that high-yield bonds have not yet responded to the Fed's recent rate cuts at least partly reflects investor unease about rising defaults among is-suers of risky debt. Defaults have averaged 3.3 percent of all issues annually since 1971 but hit a low of 1.4 percent in the spring of 1997. Recently, the rate has crept back up to 2.6 percent.

But Martin Fridson, chief high-yield strategiet at Martin I mach cause here.

strategist at Merrill Lynch, says the market in junk bonds is so depressed right now that even a 5.5 percent default rate would not trash it. According to his calculations, the difference between the yield on junk bonds and Treasury yields Although the first signs of a thaw are emerging, these bonds still trade at exceptionally high yields. is roughly the same as it would be if default rates were 13 percent - and For example, the yield on Merrill Lynch & Co.'s High Yield Master Index now stands at 5.76 percentage points above that on 10-year Treasury bonds. there are no known forecasts of defaults rising to double-digit levels.

Because of the high costs associated with buying individual junk issues, high-yield mutual funds are the way to go for most investors in this market. Funds rated highly by Morningstar, and with relatively high yields and low ex-penses, include Fidelity High Income. Legg Mason Higb Yield Primary and Vanguard Higb-Yield Corporate.

JAEGER-LECOULTRE





Senater Phil Gramm, who is next in line to be chairman, has put out an olive November 9, 1998 branch, saying he is not adamantly against reform. But he has been a big pressure that bubbles up. THE WORLD'S DAILY NEWSPAPER INTERNATIONAL FUNDS USS CLAD BY MENCHANT STATE AND STATE For momenton pease contact,
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CNBC is Europe's first truly global business news channel. We're on air 24 hours a day, bringing you the news on what's happening in the world of business the very minute it happens, (we were the first television channel to break the story about the BP-Amoco merger), while our "Ticker" shows any changes in the key indicators of the

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#### ASIA/PACIFIC

#### Protection For Japan's Investors

TOKYO — A group of 37 foreign securities firms operating in Japan plans to establish a fund to protect investors separately from safeguards planned by Japanese brokerages.

The fund, to be called the Japan Securities Investor Protection Fund, would be similar to one to be set up by the Japan Securities Dealers Association and would protect investors in the event that a securities house went bankrupt or faced financial difficulties.

The new fund, however, would try to tackle issues that the foreign brokerage firms say the Japanese fund fails to address.

Of particular concern to the firms, which include Merrill Lynch & Co. and Morgan Stanley & Co., is the fact that the fund to be set up by the Japan Securities Dealers Association sets no limits on liability. With some medium-sized brokerages teetering near bankruptcy. that could cause problems, the

foreign firms say.
"This is not about our willinguess to contribute to an insurance fund," the investment pouses said in a statement Rather, our concern is with the fund's design, specifically, establishing reasonable limits to industry liability."

A previous fund under the

Japan Securities Dealers Association was drained last November after paying out 55 billion yen (\$465.3 million) as a result of the failures of two medium-sized brokerages, Sanyo Securities Co. and Maruso Securities Co.

To limit liability, the foreign brokers want the Securities Dealers Association to require brokers to segregate client as-sets from their own. Neither Sanyo or Maruso kept client assets separate.

Japan's Parliament passed legislation providing for the new investor-protection fund in June. The fund is to protect all retail investor assets until March 2001. (Bloomberg, Reuters)

TAIPEI - Taiwan, so far spared

similarities to troubles elsewhere in the region. . . Two finance companies nearly

requiring basty government bailouts and raising questions about lending policies and had debts at more than a dozen similar institutions.

Last week, the chairman of one ailing conglomerate. New Magnitude Group, broke down in teats as he appealed to creditors after affiliates

BEUING -- China said Monday

its factory output rose 10.6 percent

in October from a year earlier, its fastest growth rate since January, as

government spending raised domes-

billion), the government said. The

aters said Monday.

The accounting company KPMG
Peat Marwick said after a closed

creditors' meeting that it had been

appointed as provisional liquidator of GITIC Hong Kong, whose assets

will be sold to pay bank creditors:
A KPMG Peat Marwick partner,

Gabriel Tam, said the book value of

GITIC Hong Kong's assets was 3.6

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a production of the second of the second

(\$15.3 million) in stock trades. Such failures are not likely to

shake Taiwan's tightly regulated banks. But many investors are bra-cing for additional defaults that could pummel stocks and spark a officials scurrying to organize bailslowdown that Taiwan - and Asia --- can ili afford.

problems in our banking and industrial sector," said Stephen
Wang, a bank analyst at HSBC Securities in Taipei. "We baven't seen loans in the third quarter, up from

Taiwan's main stock index has fallen 15 percent this year. The decline would be steeper were it not for

China's Factory-Output Growth Quickens

Any hint that Taiwan - one of the exposures of as much as 7 bilboo few Asian economies that is still dollars each to companies that have growing - could be vulnerable to a reported financial difficulties, acbanking crisis like those that have hit cording to HSBC Securities. its neighbors has sent government outs and reassure depositors. Nonperforming loans at banks - loans on which payments have not been

3.95 perceot a year earlier. Four major state-controlled banks - Hua Nan Commercial Bank, First Commercial Bank, Chang Hwa Commercial Bank and Chiao Tung Commercial Bank — probably have

"I don't think the problem here in Taiwan is as serious as what

happened in, say, Japan or Thailand," said Cheng Yi-sheng, a fund manager at Taiwan Securities Investment Co. "But the problem is pretty serious, and even more so than what we read from newspapers or hear from the government? At the heart of the coocern are

Taiwan's 16 so-called bills-finance companies. Licensed to trade in money-market securities such as commercial paper, bankers' acceptances and negotiated certificates of deposit, they guarantee short-term funding for almost every Taiwan corporation. Such furns also trade commercial paper for their own portfolios and for clieots.

Taiwan had only three such companies until 1995, when the goverrunent handed out licenses for 13 additional firms as part of its goal of liberalizing the financial industry.

New entrants such as Central Bills Finance Co. and Hung Fu Bills Finance Co. — the two that nearly failed last week — were "exposed to more risk in their client base," compared with the more established companies, Mr. Wang said.

gross domestic product expanded 7.6 percent in the third quarter from When some of the corporate debt securioes that Central Bills owned a year earlier, the government said and had guaranteed were defaulted last month. The economy grew 7.2 on, Central Bills was unable to meet percent in the first quarter and 6.8 obligations to the banks that percent in the second quarter from provided it with daily liquidity. The government then ordered eight banks, Central Bills' biggest creditors, to take control of the company essentially assuming its liabilities. Hung Fu was taken over in a similar manner Monday by three banks and another bills-finance company.

Taiwan has plenty of experience at dousing financial fires. Interna-tional Bills Finance Co., one of the oldest bills companies - far bigger than Ceotral Bills - nearly collapsed in 1995 because of fraud involving fake bill certificates.

Continuing economic growth,

Hong Kong Hang Seng 10000 16000 --15000 V 1190 1630 A L L 008 12000 J J A S O N 6000 J J A S O'N' SON Prov. % Close Chang Exchange 9,851.93 10,139.75 284 Hong Kong 1,219.28 1,283.76 5.05 Straits Times · All Ordinaries 2,689.10 2,697.30 -0,31 Nilden 225 14,194.54 14,121.97 +0.5 453.29 +2.74 Kuela Lumpur Composite 465.69 376.60 424,45 Composite Index Stock Market Index 5,957.48 8,978.72 -0.31 1,712.51 1,797.37 -4.72 Composite Index 353.98 364.39

#### Very briefly:

NZSE-40

Sensitive Index

Investor's Asia

• NEC Corp. admitted having padded bills for dozens of equipment orders, for a total of \$19 million, from the government space agency over the past five years. Hewlett-Packard Co. put its 9,000 workers in Singapore

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on four days of mandatory leave starting at Christmas. • The rupee rose on news that the United States would lift economic sanctions in posed after India's ouclear-weapons tests this spring. The dollar fell to 42.275 rupees from 42.290

 Japaoese wholesale prices fell 1.7 percent in October and were 2.8 percent lower than in October 1997. Domestic wholesale prices dropped 0.6 percent last month.

 Philippioe Long Distance Telephooe Co.'s unaudited net profit rose 35 percent from a year earlier in the first nine months of 1998, to 7.01 billion pesos (\$175 million), as the strong dollar lifted revenue from international calls.

. PT Telkom's third-quarter profit rose to 1.5 trillion Indonesian rupiah (\$178.6 million) from 306 billion rupiah a year earlier, nine-mooth results indicated. AFP, Bloomberg, AP



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#### Early Signs of Debt Problems Worry Taiwan

the worst of Asia's economic woes, is confronting a series of financial troubles that hold uncomfortable

defaulted on their debts this month,

bounced checks and defaulted on purchasing by government-backed more than 500 million Taiwan dollars investment funds, traders said.

Taiwan is just now seeing more

the end of this crisis in Taiwan."

projects such as roads and railways to from a year earlier. Foreign-funded help raise demand. That is intended companies increased production 15.1 to prevent the economy from slowing and unemployment from rising as Chinese exports slip because of

Value-added industrial output totaled 178.5 billion yuan (\$21.56 also major exporters.

While much of the additional inrate of increase, up from 10.2 percent in September, was the fastest since January, when output rose 11.3 percent from a year earlier. vestment in the economy is being financed by state-owned banks and government bond sales, companies that are not state-owned are increas-

valuations in Asian countries that are

Beijing has ordered state-owned ing production the most.

In October, stock-issuing compaincrease spending on infrastructure mies raised production 16.5 percent

**Creditors of GITIC Unit Meet** 

HONG KONG — Creditors of comfort" that the parent company the Hong Kong subsidiary of the collapsed Guangdong International Trust & Investment Corp. might get just 54 cents on the dollar, liquid-

billion Hong Kong dollars (\$464.9 provincial government. Beijing has million), while liabilities amounted to 3.2 billion dollars.

"If creditors have a claim against thorities, but many of the loans made

GITIC, this gives them another right, in Hong Kong were not registered, another avenue to claim on the debt." and their status remains unclear.

percent, and state-owned companies increased output 4.7 percent. "Industrial output only started turning higher in September," said recessions in Japan, South Korea and elsewhere in Asia and currency de- Ben Chiu, a research manager at

HongKong Bank China Services Ltd.

China's economy as measured by

'It confirms there's a new trend."

Mr. Tam said of the many "letters of

Kong's assets, as the accountants are

unlikely to find purchasers willing to

pay full book value. Mr. Tam said a

payout of 54 cents on the dollar was

GITIC on Oct. 6, raising questions about the soundness of loans made to

the institution, which served as the

fund-raising arm of the Guangdong

#### Samsung Plans Texas Expansion

year-earlier levels.

Bhomberg News

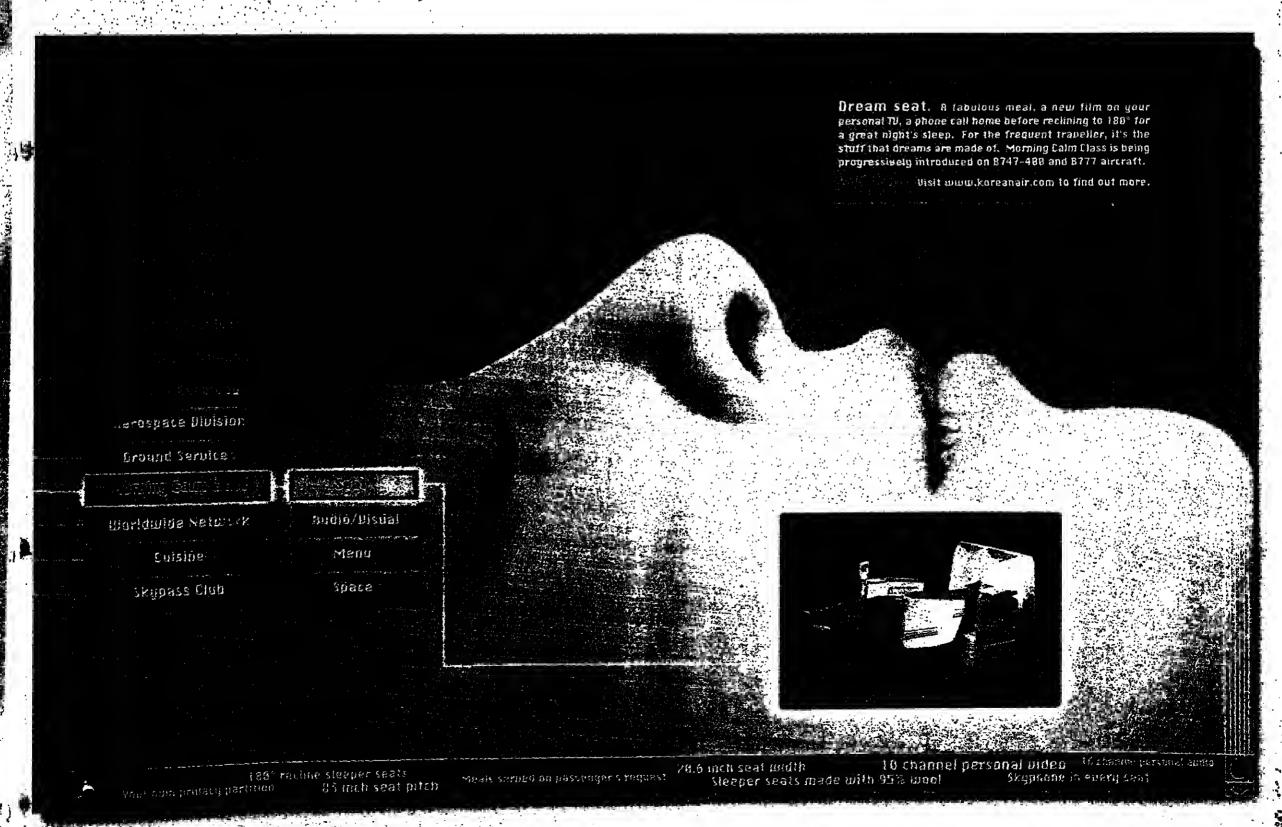
SEOUL - Samsung Electronics Co. said Monday it would go ahead with the second round of a \$600 million expansion of its Texas chip plant, now that it expected prices of chips to stabilize

an additional \$250 million by the end of this year, said Yoon Jong Jin, a Samsung spokesman. Separately, Samsung Elec-tronics said it had repaid one-sixth of its \$6.5 billion foreign-

currency debt, partly with funds it had raised through five do-

mestic bond sales.

machinery and other products to all. United States and Europe should help the economy achieve growth of 4.5 percent to 5 percent this year, analysts say. Taiwan also has the world's fourth-largest foreign exchange reserves, at \$84 billion. That money could be used to defend the currency if interest-rate cuts are needed to stimulate the economy.



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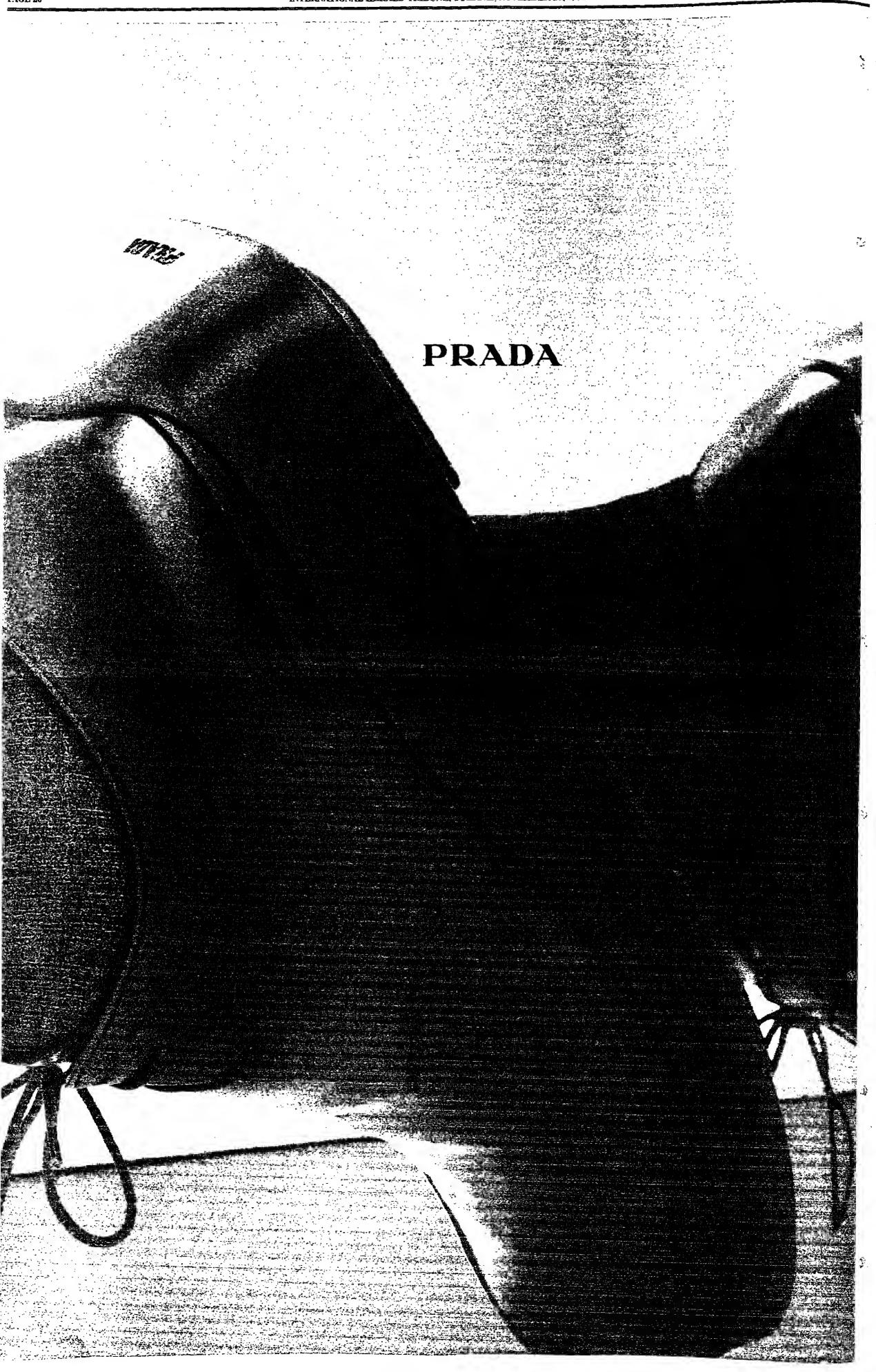
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#### WORLD ROUNDUP

#### Tour Apparently On

CRICKET The West Indies tour of South Africa looks set to go ahead, a source close to the players said Monday. The tour has been under threat because of a dispute over player payments and future contracts, which led in the sacking of the West Indies captain, Brian

Talks have been held in Londoo to resolve the dispute, and "the players say the tour is on," the source said. The match is of little sporting importance but immense political significance for the first official West Indies tour of the re-(Reuters)

#### Hunter Illness Confirmed

BASEBALL The Hall of Fame pitcher Jim (Catfish) Hunter, 52, who ushered io the era of escalating salaries in hasehall when he signed the sport's first lucrative free agent deal in the 1970s, has been diagnosed with Lou Gehrig's disease, his wife, Helen, said Monday. The disease attacks nerves in the spinal cord and brain and causes progressive paralysis.

The New York Yankee legend Joe DiMaggio, 83, who has been hospitalized in Hollywood, Florida, for four weeks with pneumonia, is seriously ill hut doing better. Morris Engelberg, his attorney and friend, said Monday. (Reuters)

#### Money Record for Irwin

GOLF Hale Irwin completed the best financial season in professional golf history with his five-stroke victory at the Senior Tour Championship in Myrtle Beach, South Carolina, on Sunday, The \$347,000 that he won gave him \$2,861,945 for the season, eclipsing the mark of \$2,591,031 set this year by the POA Tour star David Duval.

#### Tennessee Is New No. 1

COLLEGE FOOTBALL For the first time in more than four decades, Tennessee gets a taste of life at the top. Ohio State fell from No. 1 in The AP Top 25 after being upset hy Michigan State, and the Vols (8-0) took over at No. 1 for the first time since on Nov. 12, 1956. Kansas State

#### On the Other Hand

BASEBALL The former Minnesota Twins first baseman Kent Hrbek, explaining why he declined an offer to be Governor-elect Jesse (The Body) Ventura's running mate: "I'm not a politician. Then again, neither is Jesse."

#### Vikings Win (but Lose)

#### Minnesota Quarterbacks Felled by Injuries

The Associated Press One of the few teams in the National

Football League with two good quarterbacks now may have none. The Minnesota Vikings beat the New Orleans Saints, 31-24, on Sunday,

bouncing back from their first defeat of the season. But they lost Randall Cunningham, who took over for Brad Johnson after he broke his ankle in the

#### NFL ROUNDUP

second game of the season, and may also have lost the now-recovered Johnson, who broke the thumb on his passing hand on the first play of the second half and finished the game despite it.
"I believe one or both of us will be

ready," said Cunningham, who injured his right knee. If neither quarterback can play, the starter against the Cincinnati Bengals at the Metrodome on Sunday is likely to be

Jay Fiedler, who has thrown four passes

in three NFL seasons. The Vikings jumped to a 17-0 lead over the Saints (4-5), who managed just two first downs and 9 yards passing in the first half, but were tied, 24-24, after Sammy Knight returned the second of his two interceptions 91 yards for a score with 10:10 remaining in the game.

Johnson then led Minnesota on an 81yard drive in the winning score. Several other quarterbacks were hurt

or missed games Sunday.

Mark Brunell, suffering from a strained groin muscle, sat out the second half of Jacksonville's victory over Cincinnati as a precautionary measure; Troy Aikman missed two minutes of Dallas's triumph over the New York Giants with an injured finger on his passing hand, and Oakland's Jeff George left the Raiders' loss in Bal-

timore after reinjuring his groin. 49ors 25, Panthers 23 Ty Detmer led a 62-yard drive to set up Wade Richey's 46-yard field goal with 33 seconds left as the 49ers (7-2) overcame an early 16-0 deficit. Detruer threw three interceptions

in the first half and fumbled once, but came back to throw three TD passes

Broncos 27, Chargers 10 Bubby Brister started for the Broncos and threw two touchdown passes as Denver remained unbeaten in nine games. Ryan Leaf completed only 4 of 15 passes for 26 yards with an interception and a sack for San Diego (3-6).

Jaguars 24, Bengals 11 Aaron Beasley returned a fumble 90 yards for the Jaguars (7-2), who took a 24-0 halftime lead.

hawks 24, Chiofs 12 The Seahawks 4) took advantage of four turnovers that made up for an offense that gained only 202 yards. It was Kansas City's fourth consecutive defeat, the first time that has happened since Marty Schottenheimer took over as coach in 1989.

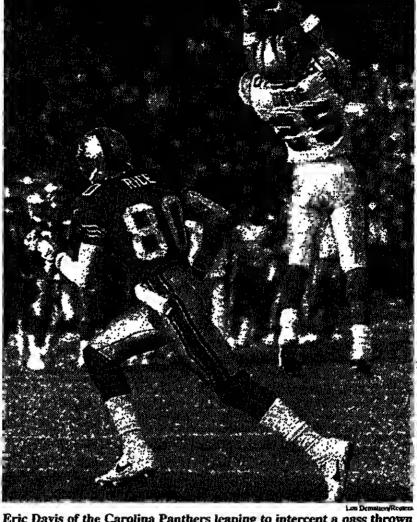
Ollers 31, Bucs 22 Eddie George rushed for 134 yards for his fifth straight 100-yard game and Steve McNair assured a victory by scrambling 71 yards for a touchdown as the Oilers overcame a 13-point halftime deficit.

Cardinals 29, Redskins 27 The Cardinals squandered a 9-point lead in the final 1:39, then came back to beat Washington on Joe Nedney's 47-yard field goal with two seconds left. Jake Plummer completed four passes for 50 yards in 29 seconds to set up Nedney's win-

Ravens 13, Raiders 10 Rod Woodson returned an interception 18 yards for a touchdown, and Michael McCrary had four sacks for the Ravens (3-6), who snapped a four-game losing streak.

Eagles 10, Lions 9Less than six days after a humiliating 34-0 loss at home to Dallas, the Eagles survived when Jason Hanson's 58-yard field goal attempt landed short with 31 seconds left. Barry Sanders carried 20 times for 140 yards for Detroit (2-7).

Hams 20, Bears 12 Tony Banks completed 24-of-31 passes for 202 yards and one TD and ran for another score for St. Louis (3-6). The Bears (3-6) lost their



Eric Davis of the Carolina Panthers leaping to intercept a pass thrown by Ty Detmer of the 49ers. Jerry Rice, left, was the intended receiver.

rookie running back, Curtis Enis, for the season with torn knee ligaments.

Falcons 41, Patriots 10 Atlanta (7-2) jumped to a 14-0 lead after six minutes. Jamal Anderson ran for two touchdowns and the Atlanta defense sacked

Drew Bledsoe five times. Cowboys 16, Giants 6 Emmitt Smith

(163 yards) became the Cowboys' leading career rusher with 12,105 yards and Troy Aikman shook off a finger injury to have a big second half for Dallas (6-3).

as 27, Colts 14 John Avery rushed for 100 yards, and O. J. Mc-Duffie caught two touchdown passes to spark the Miami offense.

## touchdown with Flutic leading them.

Vinny Testaverde, who completed

#### At Least for Now, the Oilers Have Scrambled Back to the Top

It has been many years since the Edmonton Oilers have been regarded as one of the elite teams in the National Hockey League. They can claim that now --- at least for the first month of the season. -- · ·

Their 3-2 overtime victory over the

#### NHLROUNDUP

Chicago Blackhawks on Sunday night gave the Oilers the highest victory total in the NHL (8) and tied them with Dallas for most points (16). "It was big for us to get a win on the

first game of a road trip," said Ed-monton's coach, Ron Low, after his 91 games. goal in his Calgary debut, making 39 saves to lead the Flames over Colmonton's coach, Ron Low, after his

out-0 this season when trailing or tied after the second period. Josef Beranek's assist list as visiting Boston beat Car—Brendan Shanalant scored the go bower-play goal 34 seconds into overtime extended the Blackhawks' winless

moved into fourth place on the career Brendan Shanalant scored the go bower-play goal 34 seconds into overtime extended the Blackhawks' winless

Boston railied with three straight and set up another as the Red Wings

streak in six games (0-5-1).

Lightning 3, Devilla 1 Michal Sykora scored the game-winning goal with 17:39 left in regulation as Tampa Bay beat visiting New Jersey. Daren Puppa stopped 34 shots as the Lightning (6-6-2). stopped 34 shots as the Lightning (6-6-2) reached the .500 mark for the first Jean-Sebastien Giguere, sparkled in

power-play goals after the Hurricanes went ahead by 1-0. The assist moved Bourque past Marcel Dionne on the career assist list, and he now trails third-place Gordie Howe hy seven.

team pulled out a comeback victory.

The Oilers, on top of the Northwest
Division with an 8-5-0 record, had been

Northwest
Division with an 8-5-0 record, had been
Division with an 8-5-0 record, had been scored two goals and Ray Bourque old Giguere took over the game.

beat the Mighty Ducks at Anaheim.

The victory ended a four-game los-ing streak by the two-time defending Stanley Cup champions, who hadn't lost four in a row since Scotty Bow-man's first month as coach — October

#### **Jets Beat Bills** In a Clash of Vintage Arms By Gerald Eskenazi New York Times Service

EAST RUTHERFORD, New Jersey - ft began with the fanfare of a Sunset Boulevard East, with two aging stars from another era in their comeback

saga.

By game's end Sunday, with Meadowlands crowd chanting, "Vinny! Vinny!" it was Vinny Testaverde who waved and hugged teammates, while Doug Flutie was on his knees, symbolically closing out a loss.

The Jets have gone beyond merely being surprising to being taken seriously as they captured their fourth straight victory, a decisive, resourceful 34-I2 defeat of the Bills. The victory positioned the Jets, with a 6-3 record, in a first-place tie with the Miami Dolphins in the American Conference East. The Bills, who came in with a five-game winning streak, dropped to 5-4.
For the first time in 20 years, the lets

are 4-0 in their division and have a fourgame winning streak for only the second time since 1936.

This victory needed several grity stands by the defense during a first half in which the Jets' offense stumble, losing the ball three times. Yet, all that the Bills got out of it was 3 points.

The defense beld until the offense

cranked up. And when it did, it was not on the ground. A struggling Curtis Martin had a 54-yard day on 21 carries. Testaverde, who will be 35 on Friday,

made three touchdown tosses, shrugging off an interception on the first play of the game. He is 6-0 as a Jets' starter, and his gaudy figures include 15 touchdowns but only three interceptions. Flutie, 36, had not known defeat in

his second incarnation in the NFL, having led Buffalo to three straight victories as a starter. This was the first time, though, that the Bills failed to score a



22 of 31 passes for a total 258 yards.

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Announcements

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GO: 3.52 FGO\*: 2.11 SC97: 5.22 SCSP: 5,06 UK (zone B) en /I - TVA 17,5% (ficul 5%) GO: 0,5759 POD: 0,3475 ALLEMAGNE (zone I) DMI - TVA 16% BNU; GO. 0,91 SCSP: 1,26

MAXE GO: 0,98 SCSP: 1,35 BELGIQUE en FB1 - TVA 21% GQ: 20,33 FOD 08.79 SCS7: 31,65 SCSP: 29,67

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#### A Base for Comparison

Japan's Players Get a Test Against U.S. Stars

TOKYO — How good are we? That is the age-old question Japanese baseball players, their fans and perhaps

a nation are asking after three consecutive losses to a major league baseball all-star team

Falling by 4-1, 8-1 and 10-7 to the team from across the Pacific, local pundits and players are looking at the scoreboard and wondering out loud whether there will be any victories during the

seven game series.
"We are overwhelmed by their power and speed," said the Seibu Jeons' Kazno Matsui. 'I'm afraid we

Ay not be able to win a game."

The Japanese baseball commentator
Masanori Murakani, who briefly
pinched in the major leagues in the

1960s, said the reasons were basic.

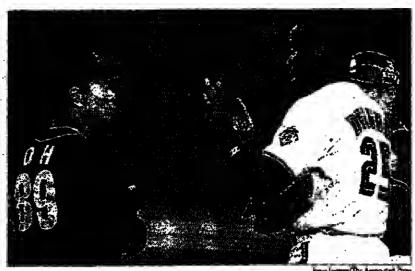
'Major leaguers are hitting our pitching,' he said, "and Japanese players risen in the interior to include Hideki

like Hideki Matsui and Kazuhiro Kiyohara aren't hitting thears."

After a slow start in which both sides were shaking off weeks of inactivity, the U.S. bass have exploded for seven home runs, while the Japanese side is making contact but not for distance.

Acknowledging that the Japanese players want to win quickly to put their fans' and their own doubts to rest, Kiyohara said the major league pitching had been tough. "They're throwing the ball harder, and even the breaking balls are faster and hitting the right spots," he

Japanese self-confidence soured three years ago after Hideo Nomo joined the Los Angeles Dodgers. He won rookie of the year honors, played in the All-Star Game and was a pitcher on the U.S.



Sadaharu Oh, Japan's career home run king, hearing out Carlos Delgado.

New York Yankees, Masato Yoshii and Shigetoshi Hasegawa, but no Japanese at bat, has charmed the Japanese with players are on the U.S. squad this time.

It has not all been painful self-asJapanese fans and his trademark water sessment for Japan. Baseball's premier and kissing rituals.

Irabu with the World Series champion ambassador, Sammy Sosa of the Chicago Cubs, who had a home run in his first

#### For Ted Williams, Manager, A Splendid Senator Reunion

By William Gildea

WASHINGTON - The man in the wheelchair wearing a tan fisherman's cap turned his head upward as a baseball was placed in front of him. Ted Williams looked jubilant when the man standing before him leaned in and said, "Skip, would you sign this for me?

It was Dennis Higgins, a relief pitcher for the 1969 Washington Senators - the Senators' last winning team and the first team Williams man-

It was a beautiful year for Williams and baseball in Washington. He was

pleased to sign.

The old team - 24 of them, including Williams - was brought back together over the weekend by the Washington Baseball Historical Society. "I think he just really wanted to see these players again," said Tom Holster, the society's president.

Williams, 80, must often use a wheelchair after suffering several strokes. He must judiciously select the trips be takes from his Florida

home becaose of his health.
"What's the most difficult pitch to

hit?" he asked Higgins.
"The slider," Higgins responded. Back in '69, Williams encouraged Higgins to throw this pitch more often because he had experienced some trouble with it as a hitter.

"I knew you'd remember," liams said with a smile.

When Williams saw Ken McMullen, the former third baseman, he immediately recalled exactly what had perplexed McMullen as a hitter.

"How're you handling the inside pitch now?" Williams asked him.

Considered by many the greatest hitter ever, Williams stunned everyone who knew him when Bob Short, who would move the team to Texas



three years later, persuaded him to come out of the seclusion he loved to

manage the Senators. When I played the outfield" for the Boston Red Sox, Williams said, "I never thought of managing. I never thought. It's time to bring in this guy or that guy.' I had enough problems to take care of in the ootfield. But I tell you, there were some very enjoyable times managing. We had a great - a gre-c-a-a-t - time."

He boomed the word "great" for emphasis, just as he always used to raise his voice when he wanted to

express a happy thought.

To see his Senators again — Hank Allen, Bob Humphreys, Jim French, Dick Bosman, Ed Stroud, many others - thrilled Williams. He called the reunion "one of the greatest moments of my life."

I wish we were playing right now he said, laughing. "That's what some of them were saying. All the old players are like that, they think they could buzz right through it still,

#### Inter Loses Ronaldo as It Struggles in Milan Derby

ROME - Internazionale of Milan has lost its Brazilian star, Ronaldo, to injury and seen its Italian League winless skid reach four games after allowing cross-city rival AC Milan to rally twice from one-goal deficits in a 2-2 draw. Ronaldo tallied the opening goal sev-inimutes after kickoff on Sunday night on a 12-meter shot but limped through much of the rest of the first half and was substituted at the interval. Francesco Moriero scored Inter's other goal, while the Liberian striker George Weah scored

Milan's first goal, and the midfielder Demetrio Albertini connected on a penalty kick in the 60th minute. The result left Inter - which had lost three straight league games — and its pricey collection of international stars with a record of 3-2-3, good only for

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minth place in the 18-team league. Ronaldo had already missed a month

of action this season with tendinitis in both knees. He chutched his left knee and was slow to get up after a clash with a Milan defender before a crowd of about 80,000 at San Siro Stadium. Matherlands SC Heerenveen beat Fortuna Sittard, 2-0, to jump three

places into first place in the Dutch honor EUROPEAN SOCCER

enoord, had its match called off because of a waterlogged pitch.

The Dutch international Jeffrey Talan opened the scoring for Heerenveen in the 14th minute, and Radoslav Samard-

division as the previous leader, Fey-

zic made it 2-0 six minutes later as the home chib cruised to its eighth victory. Feyencord was left guessing after its match at NAC Breda was abandoned after 66 minutes with the score standing at 1-1. It was not immediately clear

whether the match would be replayed in clear whether he would have to undergo its entirety or whether the two sides would have to meet again to play the remaining 24 minutes. The 1-1 could also stand as the final result.

■ Two Italian Players Sidelined The Juvenius striker Alessandro Del

Piero will be out of action for five months with an injury to his left knee, Renters reported Monday. "It's a hig blow to us," said the

Juventus general manager, Luciano Moggi, who confirmed the prognosis after Del Piero imped out of a doctor's clinic in Turin on crutches.

The striker, who turned 24 on Monday, over-extended his left knee when he fell awkwardly in the last minute of his side's 2-2 draw with Udinese on Sunday. He was carried from the pitch on a stretcher and underwent extensive medical checks on Monday. It was un-

Surgery.

Del Piero had appeared to be re-

turning to form after an adductor muscle injury that wrecked his World Cup finais in France and threatened to overshadow his 1998-99 season.

He had bounced back to score both goals in Italy's 2-0 defeat of Switzer-land in a European championship qualifier last month and had scored twice more in league matches since then.

In England, meanwhile, it was announced that Chelsea's Italian striker Pierluigi Casiraghi would undergo exploratory surgery on Tuesday after suf-fering a leg injury that could put him out of the game for several months. Casiraghi tore knee ligaments and damaged nerves in his leg in a collision with the West Ham goalkeeper, Shaka His-lop, during Chelsea's 1-1 Premier League draw on Sunday.

#### SCOREBOARD Aklami 27, Indianopolis 14 Aklamistria 31, New Orisons 24 Dallas 16, New York Glunts 6 Baltimore 13, Osldand 10 St. Louis 20, Chicago 12 FOOTBALL NFL STANDINGS Son Francisco 25, Carolina 23

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Top Twenty Free treates in Associated Press college features policy with text-base women in paramithese, records through Nov. 7, hose points hered on 25 points for 1st place were through 1 point for 25th place 1 point 1 p 

ICEHOCKEY

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Carolina

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Carolina, Francis 3 (Kron, Leschyshym) (sh).

2, B-Van Impe 2 (Samasonov, Khristich) (pp).

3, B-Khristich 5 (Bourque, Affeod) (pp).

Taint Period: B-Khristich 4 (Allison,
Bourque) (pp). 5, B-Van Impe 3 (Khristich,
Allison) 6 Carolina, Emerson 3 (Roberts) 7.

B-Allison 4 (Khristich, Samasonov) Shots on
godt: B-6-14-11--31, Carolina 9-12-9-30.

Godfast: B-Dafoe. Carolina, Ime.

Colorada

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Coloray

First Period: Calgory-Fleury 9 (Wilm,
Wiemer) 2, C-Timy 3 (Hejduk, Kamensky)
(pp). 3. Calgory-Shantz 2 (Iginio, Bure)
Second Period: None. Third Period: Calgory
Iginio 6 (Mortis, Gigueral (en.), Shots on gout:
C-10-21-0-40. Calgory-9-28--20. Godfess
C-Roy, Calgory-Giguere.

C-10-73-10-48 Calgary-9-3-0--04 several C-Roy, Calgary-Giguere.

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(Scionne, Karlyo) (pp), S. D., Shanohan 9 (Lorionov, Murphy) Shots on goals C-12-16-5-34. A-22-8-9-39. Goulies: D-Osgood. A-Hebert.

Edunoalen 1 0 1 1-3 Chicago 1 1 0 9-2 First Period: C-Weinsich 1 (Chelios, Probert) 2. E-Guerin 10 (Murroy, Mironov) Second Period: C-Amonte 9 (Loffgmane, Glynour) Third Period: E-Falson 4. Overfigm: S. E-Bermock 6 (Mironov, Homfill) (pp), Shots on goals E-10-5-14-32. C-5-9-10-24. Goethers: E-Shrotenkov, C-Fitzpatrick,

BASKETBALL MAJOR COLLEGE SCORES

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A. Down Live H. G.S. 746.

5. Ernie Els, South Africa. 9.61

6. Colin Akontgomerie, Scotland. 9.37

7. Nick Price, Zimbobwe, 8.59

8. Vijory Singth, Filip, 8.29

9. Lee Westwood, England, 8.10

10. Phil Mickebont. U.S. 7.96

11. End Counter 11.5. 7.96 12. Jumbo Ozald, Japan, 7.94 13. Jim Furyk, U.S., 7.03 14. Greg Norman, Australia, 6.49 15. Jesper Parnevik, Sweden, 6.44

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John Huston

Miguel A. Jimenez Sp. Andrew Cotton, Brit.

Ricardo Gonzulez, Arg.

SOCCER

WORLD RANKINGS

1. Tiper Woods, U.S., 11.98 points 2. Mark O'Meant, U.S., 10.54 2. David Daval, U.S., 9.85 4. Davis Love U.L. U.S., 9.65

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STANDAROUS STANDAROUS TO points; Kuwait S; UAE 7; Draton 2: Baltynin 2; Gotor 2.

SPANIANS FEBRE REVISIONS

Tenerite 2: Volladolid 2

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stendings: Maltimus 19 points; Real Madrid 18; Cetto Vigo 17; Barcelona 15; Valencia
15; Real Zangagar 15; Allerica Madrid 14; Deportivo Cartura 13; Valladolid 12; Real Sociedal 12; Oxfedo 12; Rocal Sartandar 12; Solamanus 11; Tenerife 10; Athletic Bilbon 10; Espanyal 9; Alances & Real Bells & Villared 7; Extremodura 5.

AC MBon 2. Inter Milon 2 standards Florestina 10 points: Juventus 17; Rome 14: Milon 14; Lazie 13; Patrine 13; Coglicul 11; Barl 11; Inter Milon 11; Perugia

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Dynamos. Zimb., vs. ASEC Abidius, Ivary
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COOST Totals, vs. Primiero Apolita.
Angoliu Ist leg on Nov. ZI., return Dec. 6.
CALCEUR.

Jeonne d'Arc, Senegal, vs. CS Statien, Tu-nisia. 1st leg on Nov. 15, teturn on Nov. 29.

TENNIS COLOMBIA OPEN

Ramon Delgado, Per, def. Sargis Sangsian, Amoen, 6-2, 4-c, 3-1 retired: Maxima Zabeleta. Arg., def. Jiri Novak, Czech R., 6-2, 6-4. ieta def. Delgado o-4, 6-4. 1. Pele Sampros, U.S., 4,275 points 2. Marcelo Ríos, Chile, 3,670 3. Potrick Roffer, Australia, 3,423

3. Potrick Raffet, Australia, 3,423 4. Carlos Maya, Spoin. 2,959 5. Andra Agossi, U.S., 2,879 6. Alex Contrila, Spoin, 2,788 7. Karol Kucera, Slovalda, 2,579 8. Yevgery Katelnikov, Russia, 2,557 9. Richard Kraljaek, Netherlands, 2,5 Richard Krülicek, Neifferiands, 3
 Tian Henman. Britain, 2452
 Greg Rusedski. Britain, 2479
 Petr Korda, Czech Republic, 2,11
 Gorun Ivaniseric, Crootia, 1,980
 Albert Costa, Spola, 1,823
 Mark Philippoussis, Australia, 1, 6
 Cedric Pioline, France, 1,669

WTA RANKINGS Lindsay Davenport, U.S., 5.468 points
 Martina Hingis, Suttentind, 5,202
 Jana Navatna, Ezoch Republic, 4,301
 Arantus Sanchez Vicaria, Spain, 3,708

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5. Venus Williams, U.S., 3.263 6. Monico Seles, U.S., 3.058 7. Mary Pierce, France, 2.713 8. Conchita Morlinez, Spain, 2.364 9. Notrodie Taustal, France, 2.257 30. Party Schauder, Sulfaterland, 2. 9, Norpone (Buzzo Protes) and 2,155
1). Oorshrigue Van Rood, Belgium, 2,001
12. Iring Spirker, Romania, 1,979
13. Anna Kournikova, Ruskla, 1,918
14. Sandnine Testout, France, 1,898
15. Ammado Coelter, South Africa, 1,708

TRANSITIONS

WAJOR LEAGUE BASEBALL

NATIONAL LEAGUE SAN FRANCISCO—Signed RHP Mark Good-

NACTIONAL HOCKEY LEAGUE

LOS ANGELES—Recalled D Jan Nemecok

and RW Dan Bylsma from Long Booch. INIL.

R.Y. ISLAMPERS—Traded LW Ken Belanger

to Boston for LW Ted Donato.

ARIZONA—Announced sonhomore G

ARIZONA-Announced sophomore G Quynn Tebbs left mens baskstodi team. CERTRAL FLORIDA-Promoted Miles Kruczek tram interim tootball coach to hood FLORIDA ATLANTIC-AT

Andre Kerr has left to IDANO STATE-Fired In Cross, otheric director, and Tom Wolsh, toothall cooch, ef-

ST. BONAVENTURE—Susponded G TIM With from men's basketball feam pending

LIKE SOME YOUR MOM PEOPLE I DOESN'T BRONG KHOM. ME TEA IN BED

#### DENNIS THE MENACE

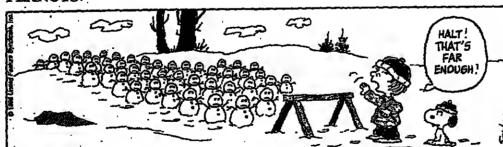


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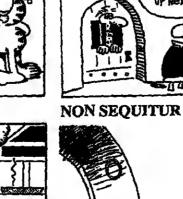


BLONDIE









LETY SEE IF THE PEOPLE 0 HERE ARE DUNB ENDUGA TO GET THEIR ENTIRE SOCIETY DEPENDENT ON THESE THOUS HITHOUT CHECKING THE EXPIRATION PATE FIRST.



THE INTERGALACTIC L.Q. TEST





DOONESBURY







election we ever had, hut who's counting? There were happy winners, and there were tearful losers. I was amazed to see how many losers came forth to admit that terbacking. they blew it. Other losers I watched dur-

they blew it. This is what I saw with my own eyes: Newt Gingrich, though a win-

ner in Georgia, was one of the hig losers in Congress. Gingrich wisely said the Repubprobelection by not focusing oo

cutting taxes, reforming the government, saving the So-Bowl for them.

Well, nobody's perfect during a political race, and sometimes you can lose all your campaign money at the crap table.

Senator Trent Lott was

#### Long Live the Queen

The Associated Press ONDON -- Most Britons Oppose the idea that Queen Elizabeth Il should abdicate and allow her oldest son, Prince Charles, to become king, two polls indi-

cated Monday.

A MORI poll commissioned for the Daily Mail tabloid reported that 67 perceot said the queen should remain on the throne for the rest of her life, the paper said. A poll for The Daily Telegraph found that 66 percent of Bri-tons opposed the idea of the queen's abdicating.

NEW YORK — It wasn't even more specific. He said the greatest midterm the message he got from the voters is if you're going to win hig time you have to

listeo to the people. That's what you call serious Monday-morning quar-

ing the evening said things like, "The reason my oppo-nent beat me was that he had more votes than I did. This can cause eveo the best candidate's downfall."
David William Spon, who

lost by 40 percent in a con-gressional race, said, "I was promised upstate, hut I forgot to assure milk supports. Also, the milk lobby took out ads complaining about my stand on gun control."

Albert Ramer, who failed cial Security system and be- to win the governorship race, lieving that the White House said, "My opponent is as scandal would win the Super despicable in victory as he was during the political campaign. If he comes down to this ballroom right now, I'll

beat the stuffing out of him."
Tessie Friedham, who was
running for sheriff, said, "My mistake was making women an issue in this campaign when my opponent refused to discuss a sheriff's sex. It's tough being a woman in an election, but when your op-ponent woo't acknowledge it. it's impossible."

The people on TV appeared haggard, and some had lost their stiff upper lips.

There was hitterness. Jack Berkowitz told his supporters, "My family was no help at all. Every time the kids went out to campaign they were arrested for speeding. My wife would not take my candidacy seriously, and whenever the reporters asked her who she was going to vote for she said. The Bush

#### A Busy Man of Opera Just Got Even Busier

By Allan Kozinn

TEW YORK - Even by his Nown standards, Placido Domingo has accomplished something extraordinary in recent weeks. As he was discussing extending his contract at the Washington Opera, where he has been artistic director since 1996, he was also meeting individually with members of the board, and with the entire executive committee, to explain why they should not be alarmed at his decision to become the artistic director of the Los

hold the reins in Washington. Domingo's contract in Washington ends in 2002, and the extension under discussion would take it to 2004. The Los Angeles post, which was announced last week, begins in July 2000. The announcement comes at a time when the Los Angeles company is hoping to in-crease its number of productions and performances, and Domingo says he is willing to curtail his own performing schedule to keep up with his new responsibilities.

Angeles Opera while continuing to

Still. Domingo says be regards his Los Angeles position as more of an upgrade than an entirely new job. His connection with the company goes back to its founding in 1984. At first, he signed on as a member of its board, and when Peter Hemmings became its first general director, Domingo took the title of artistic consultant. He sang the title role in the company's first production, "Otello," in 1986 and

became artistic adviser in 1995. At 57, he succeeds Hemmings, who is retiring at 64. Hernmings has already planned the 2000-01 season, so Domingo's programming will not be seen until 2001-02.

"I think of my new position as an upgrading," Domingo said in a telephone interview between rehearsals in Washington, "because as artistic adviser I was involved in discussions with Peter Hemmings about the productions, the casting. It was a collaboration, although it

was minor compared with what I will have to do now."

Still, Domingo's dual director-ship raises questions: Where in his schedule is the room to pencil in further commitments? He continues to give more than 60 performances a year in international opera houses, and in recent years he has been conducting as well, both in the opera pit and on the symphonic podium. Every four years, when the World Cup games are played, he joins Luciano Pavarotti and Jose Carreras to trawl for megabucks as the Three Tenors. Each year he sponsors Operalia, which is hilled as the world's largest opera com-petition. And to keep things exciting, he owns a restaurant, called

Domingo, in New York City.

If the Washington Opera board members have doubts about Domingo's ability to run two companies effectively, they have not expressed them publicly. Robert Craft, president of the com-pany, said that after he faxed board members to warn them, on Oct. 30, that the Los Angeles appointment would be announced the following Monday, he received no protests, comments or questions.

Domingo and spokesmen for both companies have advanced a variety of reasons why the dual directorship poses no problems for either side. But weighing heavily in the equation is something the companies do not go out of their way to point out: Domingo's value as a fund-raising asset more than offsets any problems that might be caused by potential scheduling conflicts. But those in the opera world who expected Domingo to be little more

than a money magnet have been surprised at his hands-on approach to the Washington job. No mere figurehead, he has taken charge of the company's programming, offer-ing both standard repertory and unusual works. His success has been mixed: Rarities like "Il Guarany," by the 19th-century Brazilian composer Antonio Carlos Gomes, and the company's current production of schedules of the two companies did Verdi's "Simon Boccanegra" have not overlap, allowing Domingo to



Placido Domingo has vastly expanded his work day.

been skewered by critics; others, including a revival of an American classic, Douglas Moore's "Bailad of Baby Doe," have fared better.

Craft, noting that Domingo has also been involved in administrative aspects of the Washington company, said the level of energy he has brought to his work helped persuade the board that his taking on another directorship would not be a problem. "I really don't think there were doubts expressed in the executive committee after hearing him explain how he could do both these jobs," Craft said.

Part of Domingo's presentation, both Craft and Domingo said, was a demonstration that the production

focus on each during crucial times. Hernmings, the departing general director of the Los Angeles Opera, noted that Domingo was succeeding him only partly, coming in as artistic director, not general director, "So there will be someone else to take on that part of the job," he said. "And the search for that

The model that Domingo presen ted to his board in Washington, moreover, included some tempting blandishments, including the possibility of sharing productions, and therefore costs, with the Los Angeles Opera. The two compa-

person has not yet begun."

and economic possibilities." said ... Christine Hunter, the chairwoman of the Washington Opera's exec-ntive committee. "It would be an ace in hand to assemble a wonderful cast for a production and have it performed both places. Even if the production begins in Los Angeles and comes to Washington, we have a true ensemble when it arrives." Domingo did not think that was

quite what he had proposed. "It's a nice dream," he said, "but I don't see it working exactly that way. It's difficult to get singers to commit that much time, for rehearsals and a production in one city, and

then moving to another city."
"I was thinking," he added,
"that our shared productions would not coincide in the same season. But there are exceptions. In 2003 for example. I hope to celebrate the anniversary of Berlioz with a big production of 'Benvenuto Cellini.'
That could be in both theaters. But it would be an exception."

Craft expressed complete confidence in Domingo's energy, noting that one week recently, he sang at the Met on a Saturday night, stayed up until 5 A.M. studying the score of Saint-Saens's "Samson et Dalila," which he was about to conduct, then attended a Sunday brunch in Mary-land on his way to "Simon Boccanegra' rehearsals in Washington.
That night, he flew to the West
Coast, and was back to conduct.
"Aida" at the Met on Tuesday.

Domingo, however, has started to rethink his ability to take on an imprudent number of commitments. and he said that when he began in Los Angeles, the shape of his pere forming schedule would change.

"I will cut my touring," he said, 'so I can spend more time around Washington and Los Angeles. When I am working at the Washington Opera and singing at the Met, I can commute. When I am in Los Angeles, that will give me a chance to perform more with the. nies have borrowed each other's San Francisco Opera, which is a productions on occasion; now that company I love very much. But to arrangement would be formalized. do this, I will have to give up some 'There could be some synergies of my European engagements.'

#### **PEOPLE**



A period of reassessment for the model Kate Moss

himself in 1945. Questions about O'Brian's past began surfacing on British television in September, the magazine reports. The writer's U.S. and British editors agree that O'Brian, 83, who has boasted of having an Irish heritage but has lived in seclusion in France since 1949, isn't likely to clear up the questions. "I believe that hell would have to freeze over executive of Icon Life Style Marketing, the firm that planned before you would get any comment from Patrick O'Brian on this," said his U.S. editor, Starling Lawrence. The magazine says O'Brian was born Richard Patrick Russ in a London suburb in 1914, but changed his surname to O'Brian in 1945.

Harrison Ford has been named the "sexiest man alive" by People magazine because of his "green-gray eyes, the slept-on hair, the endearing scar on the chin." Ford, 56, who became a sex symbol with the "Indiana Jones" series of films, beat out the heartthrobs Leonardo DiCaprio and Matt Damon.

The model Kate Moss has checked into a London clinic under an assumed name and is being treated for exhaustion, The Mirror newspaper reported. "I've been doing a lot of hard work and too much partying," the paper quoted Moss as

One of Patrick O'Brian's most inventive fictional works saying. She checked into The Priory, an expensive private purportedly lish author of the popular Auhrey-Maturin searching novels is in fact an Eoghshman who began reinventing himself in 1945. Ouestions about O'Brian's rest hearn structure of the clinic 'fort week or so.' to be out of the clinic "oext week or so."

too far last wee said David Walking

#### Paule Constant Wins Goncourt The Associated Press

PARIS — The Goncourt prize, France's most prestigious literary award, was given Monday for a novel set in the Kansas home of a university professor. Paule Constant's "Confidence Pour Confidence," (Confidence for Confidence) published by Gallimard, is a psychological drama about four women of various nationalities

who get together and end up dissecting their lives. Constant, 53, lives in Aix-en-Provence, where she teaches French literature to foreign students. "Confidence Pour Confidence" is her eighth book. Also Monday, the Renaudot prize — for a first novel — went to Dominique Bona for "Le Manuscrit de Port-Ebene."

restaurant where it was going on. In a short item in its Gotham section, the magazine listed the private RSVP phone numbers When does a magazine go too far? New York magazine went received velvet-wrapped videotaped invitations to the party.

The New York magazine went received velvet-wrapped videotaped invitations to the party. the New York nem read in part Why not st velvet-rope snobbery. Where? Just call . . . " and gave the number. Watkins said that as soon as the issue hit newsstands, Icon began to receive 700 to 1,000 phone calls an hour.

The Date of the property of

Emboldened by the success of the former wrestler Jesse Veutura, now the new governor of Minnesota, Hulk Hogan will run for president in 2000. "When Jesse won, I said to my wife, 'My God, I'm IO times more popular than him.' ' the pro wrestler told Time magazine. On his short list for vice president: Ross Perot, Ted Turner and Oprah Winfrey. although he hasn't put a headlock on any of them yet.

 $\square$ 

The Mirror of London has apologized to Michael Jackson for four 1992 articles, with accompanying photographs, that, suggested the singer's surgery had left him badly scarred. Jackson's lawyer, Marcus Barclay, said the singer's suit hat been settled "amicably" -- on confidential terms.



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